LATE NEWS

Reversion-tax debate under way

WASHINGTON — House and Senate conferees were meeting last week to decide the fate of a Senate amendment that would sharply raise the federal excise tax on asset reversions from terminated overfunded pension plans.

Under the amendment, included in a technical corrections bill approved last week by the Senate, a 60% excise tax would be applied on reversions received from July 26, 1988, to May 1, 1989. After May 1, the excise tax would drop to the 10% rate that now applies on most reversions.

Pension plan assets increase 4%

WASHINGTON — The assets of private non-insured pension plans grew 4% during the second quarter to $1.23 trillion at the end of June, the Employee Benefit Research Institute reports.

This places the assets of such plans still below their peak of $1.3 trillion at the end of the third quarter of 1987.

During the quarter, net withdrawals of $9 billion from equity portfolios, $3 billion from bond portfolios and $1 billion from other assets were offset by net cash contributions of $6 billion and total investment earnings of $50 billion.

Alameda County hires executive

OAKLAND, Calif. — The $700 million Alameda County Employees' Retirement Association, Oakland, has hired Francis John Early as its retirement administrator beginning Nov. 1.

Mr. Early comes to Alameda from Dorn & Helliesen Inc., Corte Madera, Calif., which has been Alameda's asset allocation consultant, according to Helen Wright, deputy administrator.

He replaces Dave Tobias, who retired March 31.

Copley pool raises $535.5 million

BOSTON — Copley Real Estate Advisors closed its Copley Institutional Investors Fund II recently after raising $535.5 million from 28 investors, according to Jack Phillips, a Copley managing director.

CIIF II is a closed-end blind pool that will be invested in joint venture real estate development deals nationwide; $25 million already has been put into undeveloped land in a Trammell Crow industrial park in Industry, Calif.

Among the 28 investors were the State of Connecticut Trust Funds; Illinois Power Co.; the Police & Fireman's Disability & Pension Fund of Ohio; Phelps Dodge Corp.; the Philadelphia Municipal Pension Fund; Rockefeller Foundation; the Alfred E. Sloan Foundation; Stanford University; and Wellesley College.

Funds select managers, trustee

• MINNEAPOLIS — E F. Johnson Co., Minneapolis, has hired IDS Trust, Minneapolis, to manage its $20 million thrift/profit-sharing plan, said Ernest Glass, Johnson's chief financial officer.

Mr. Glass said IDS replaces Equitable Life Assurance Society of the United States, New York, for guaranteed investment contracts; Kemper Asset Management Co., Chicago, for equities; and Norwest Bank Minneapolis, as trustee. IDS will manage a common stock fund and a combined money market/GIC fund, and do the bookkeeping.

• KEWASKUM, Wis. — Regal Ware Inc. has selected a $1.4 million bank investment contract from Washington Mutual Savings Bank, Seattle, for a portion of its $25 million employee savings plan, said James G. Moran, plan administrator.

• KALAMAZOO, Mich. — The $730 million Upjohn Co. pension fund hired J.P. Morgan Investment Management Inc., New York, to manage an undisclosed amount in its open-end Real Estate Fund, said G. Jake Miller, trust investments manager.

Upjohn also increased its commitment to the open-end Prime Property Fund run by Equitable Real Estate Investment Management Inc., New York, he said. He would not disclose the amount of this commitment but said it and the J.P. Morgan hiring raise Upjohn's real estate allocation to 5% from 2%.

• FORT WAYNE, Ind. — Essex Group Inc. hired Northern Trust Co., Chicago, as master trustee for its $25 million pension fund, said David Owen, director of treasury services.

Essex Group and its pension fund recently were spun off from United Technologies Corp., Hartford, Conn., in a management-led leveraged buy-out. Northern Trust will be responsible for short-term investments, Mr. Owen said.

Accountant acquires consultant

NEW YORK — Arthur Andersen & Co. has acquired GA/Partners, a Washington-based real estate consulting firm, in what the company called a reorganization of its real estate accounting practice.

GA/Partners, the successor firm to Gladstone Associates, will continue doing business as GA/Partners with 60 professionals.

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Realty deal of Heitman, Wisconsin off

By Steve Hemmerick

The $16 billion State of Wisconsin Investment Board, Madison, and Heitman Advisory Corp., Chicago, have parted company 10 months after signing a contract under which Heitman would have invested several hundred million dollars of Wisconsin's pension fund assets in real estate.

Heitman and Wisconsin officials claim to have fired each other first. Sources said Heitman officials claimed the firing was to protect their standards of fiduciary responsibility, while officials for the Wisconsin board said Heitman wasn't finding good property investments.

The afternoon of Oct. 11, Norman Perlmutter, chairman, and David M. Glickman, president, of Heitman, announced they were terminating Wisconsin's account.

Heitman officials said their board of directors had spent more than a month discussing terminating the Wisconsin account but formally decided Oct. 11. Wisconsin received written notice of the decision Oct. 12.

Wisconsin officials said that was one day before they had planned to visit Heitman's Chicago offices and terminate the relationship.

"This is the first active relationship that we have withdrawn from," Mr. Glickman said. "Heitman does perceive itself as a fiduciary and does have an obligation to invest for the beneficiaries for whom we invest," he said. Heitman has more than 50 tax-exempt clients and manages more than $4 billion in tax-exempt assets.

"Frankly, we consider ourselves to be fiduciaries in the highest sense and, in the last analysis, we are responsible for the investments of funds for millions of beneficiaries, and when we perceive that we may be asked to lower our standards we quit. And it may not be easy, but sometimes, you have got to do the hard thing. It was a plum account, but sometimes you have got to do the hard thing," said Mr. Perlmutter.

He would not discuss what the "lower" standards entailed.

Sources said Heitman considered Wisconsin a top account; 14 real estate money managers had competed for four contracts as separate account managers for the fund.

In response to Heitman's announcement, Marshall Burkes, executive director of the Wisconsin fund, said, "Paul Fanfera, our investment director, concluded that because of a lack of performance in both quality and quantity of deals shown us, that we should terminate the contract with Heitman.

Norman Perlmutter said Heitman Advisory has ended its account with Wisconsin.

"The (Wisconsin) board concurred (with the recommendation) . . . Oct. 6, and Paul and I volunteered to give full explanation to senior officers of Heitman this Thursday (Oct. 13) in Chicago.

"We have not accepted a single deal of theirs, and we have not paid them any money," said Mr. Burkes, who added Heitman had presented two deals to the fund.

He said he was "appalled" at the announcement by Heitman officials, and said it "raises major questions about their behavior." Mr. Burkes limited his comments because board officials had not

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NCCMA director out

Green ousted by board over philosophy

By Fred Williams

NEWTOWN, Conn. — The board of directors of the National Corporate Cash Management Association forced Lawrence K. Green to resign as executive director after serving only nine months.

The action — on the eve of the organization's annual conference — was prompted by what board members describe as major differences in philosophy and personality conflicts between Mr. Green and committee chairmen and officers.

According to several NCCMA board members, Mr. Green resigned after a late September meeting with the board in Denver.

Contacted at his home in Salisbury, Md., Mr. Green said he is considering legal action in response to the board's asking him to step down and said if circumstances warranted he would like to return to his post as executive director.

Several NCCMA board members referred all questions about the situation to Paul Even, the organization's president and treasurer of National Gypsum Co., Dallas.

L. Green

Marsha Prentiss, manager of treasury operations at Avantek Inc., Santa Clara, Calif., who is an NCCMA board member and volunteer conference coordinator, said board members "have been requested to simply say he (Mr. Green) is no longer with the association. I'm not permitted to discuss it."

Mr. Even declined to discuss the circumstances surrounding Mr. Green's departure. He said a search committee is being formed to find a replacement and the post probably won't be filled until early next year.

But several other board members, who asked not to be identified, said Mr. Green was asked to leave because of repeated conflicts over management of the association and personality clashes with volunteer committee chairmen and elected officers.

"He wanted to take the association in one direction and the volunteer cash managers wanted to go another. It was a difference of philosophy," said one board member.

Another member said Mr. Green "irritated a lot of people" and "saw the world differently" than association officers. "There was a difference in philosophy on how to run the association," the board member said.

One board member who was at the September meeting said the differences "run deeper than personality conflicts. It was literally

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Broker-consultants gain niche

By Joel Chernoff

Investment management consulting to small institutions and wealthy individuals is providing as much as $600 million in revenues to brokerage firms hurting from the 1987 market crash.

Shearson Lehman Hutton, which has about half of the existing market share, has experienced "a 35% rate of growth in terms of accounts and assets in the last five years," said Len Reinhart, director of the firm's investment advisory program in Wilmington, Del.

Broker-consultants — securities-firm units set up to advise clients primarily on asset allocation, manager selection and performance measurement — represent a significant area of growth for beleaguered securities firms, whose revenues have been trimmed in the aftermath of last year's stock market crash and which might face another round of layoffs shortly.

If anything, however, the crash has boosted the broker-consultants' market, as wealthy individuals increasingly seek professional advice on asset allocation and proper diversification.

Some money managers, including Dreman Value Management Inc. and Oppenheimer Capital Corp., both of New York, aware of the declining source of new dollars going into larger retirement funds, have turned to broker-consultants as a source of revenue.

Roughly $700 million of the $1.2 billion under management by

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Merrill Lynch is top underwriter

By Marcia Parker

NEW YORK — Merrill Lynch Capital Markets swept the first three quarters of 1988 underwriting rankings, clinching the No. 1 spot for domestic underwritings, including initial public offerings and common and preferred stock offerings.

During the first three quarters of the year, Merrill was lead underwriter for $29.1 billion worth of domestic debt and equity securities, up from $27.8 billion during the same nine-month period last year. Last year, Merrill was ranked third in cumulative domestic underwritings, according to IDD Information Services, Inc., New York.

Merrill took 14.1% of the total domestic underwriting business in the three quarters compared with 12.1% in the 1987 period.

Merrill Lynch also kept the No. 1 spot in the third quarter in both initial public offerings and total equity offerings. The investment bank had the same top spots in the first half of the year.

Grant Kvalheim, head of capital markets at Merrill Lynch, attributed his firm's strong performance to a "continuum of the momentum we've built up over the year. We have committed capital to the business and raised our profile with issuers."

Goldman, Sachs & Co. took second-place honors, underwriting $28.5 billion of domestic securities for the three quarters. Last year, Goldman was ranked fifth and was credited with underwriting $24.1 billion of securities. Goldman had a 13.8% slice of the market for the first three quarters of 1988 compared with 10.5% last year, according to IDD.

Salomon Brothers Inc., which was the top-ranked domestic issues underwriter for the cumulative 1987 period, has slipped to third place. Salomon served as underwriter of $26.2 billion of domestic securities, taking 12.7% of the market; down from $34 billion and 14.8% of the market in 1987.

First Boston also dropped two notches since last year to fourth place. The firm underwrote $23.9 billion of domestic securities, or 11.6% of the market. Shearson Lehman Hutton moved up one place, taking fifth place with $19.2 billion, or 9.3% of the market.

The filter-down effect of Black Monday is still being felt in the global markets. Investors and issuers still are worried about unsteady worldwide economic growth, interest and exchange rates, and unsolved problems such as the U.S. budget deficit and Third World debt. Across the

Continued on page 62

CORRECTIONS & CLARIFICATIONS

• **Dennis J. Lenahan** of Realty Capital Markets Inc. was misquoted in the Sept. 19 real estate supplement, PROPERTY. Mr. Lenahan, who was speaking at a Northwest Center seminar, made the observation that vacancies were at an all-time high, but cap rates were at an all-time low. He went on to state, "The presence of so much equity capital has held the cap rates low, but tenant demand is independent of the availability of capital."

• In the Oct. 3 issue, the Department of Labor's position on **short sales** by pension fund investors was incorrect on two points.

Short sales are not per se imprudent under the department's current interpretation. The original story had said short sales are not prohibited, which according to a Labor Department official is misleading.

Also, one of the three conditions a plan sponsor must meet in order to get relief from Section 406(a)(1)(B) of ERISA under the 1975 prohibited transaction exemption was misstated. The condition the broker must receive no interest or other compensation for extending credit applies only if that broker is a fiduciary of the plan.

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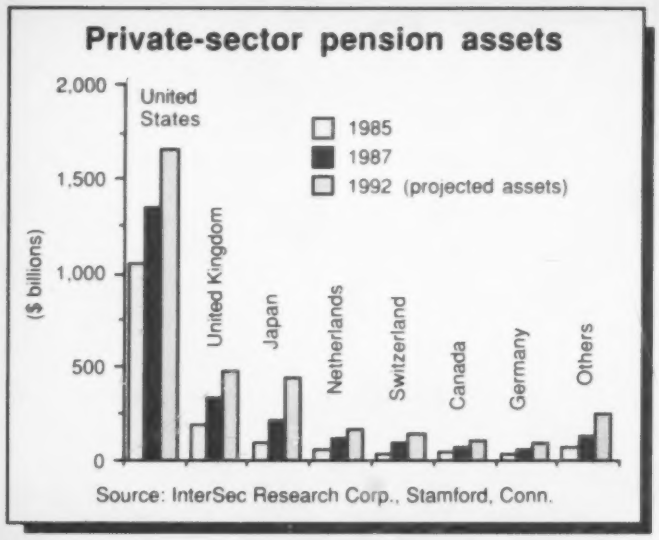
CONSULTANTS



International interest keen

By Joel Chernoff

Trying to diversify their markets and build important new revenue bases, investment management consultants are setting up shop on foreign shores, trying to tap into the growing pool of foreign-based institutional assets.

During the past 10 years, at least nine firms have expanded operations, primarily to the English-speaking nations of Canada, the United Kingdom and Australia (*see related story on page 18.*). Now eyes are turning toward Japan and continental Europe and the lucrative consulting contracts that promise to be opened up shortly.

"The opportunity clearly is Japan," said Budge Collins, president of Collins Associates, Newport Beach, Calif.

The impact on the bottom line is clear. At Wayne, Pa.-based SEI Corp., foreign consulting is expected to grow to 25% to 30% of total consulting revenue in the next five years, from 10% of its $55 million in consulting revenue now, said Ed Loughlin, senior vice president.

For Frank Russell Co., the Tacoma, Wash., firm thought to be the industry leader, observers believe foreign-based consulting accounts for about half of the consulting revenue.

In terms of market penetration, the numbers don't tell the entire story. For example, there is no way of telling which of several services clients buy. While many include clients buying routine

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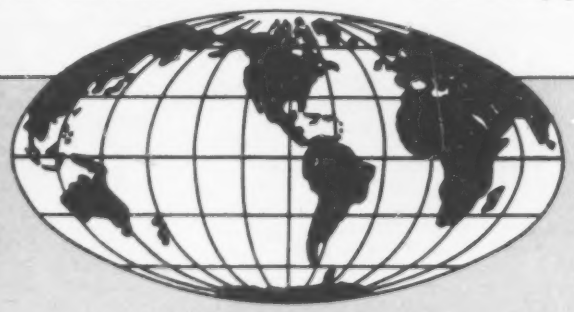

Non-U.S. investment consulting clients by location of consultant office

BARRA	
Australia/New Zealand	15
Canada	20
Hong Kong	5
Japan	40
United Kingdom	50
TOTAL	130
Buck Consultants	
Belgium	55
Canada	130
United Kingdom	100
TOTAL	285
The Wyatt Co.	
Australia/New Zealand	130
Canada	20
Hong Kong	125
Other Pacific Basin	90
United Kingdom	65
TOTAL	430
Collins Associates	
Australia/New Zealand	3
TOTAL	3
InterSec Research	
Australia/New Zealand	27
Japan	33
United Kingdom	42
TOTAL	102
Frank Russell Co.	
Australia/New Zealand	11
Canada	22
Japan	4
United Kingdom	33
TOTAL	70
SEI Corp.	
Canada	450
United Kingdom	50
TOTAL	500

Handful affect over $1.5 trillion

By Trudy Ring

Tax-exempt assets of $1.583 trillion come under the influence of 13 of the nation's largest investment consulting firms.

These firms influence their clients' investment judgments through asset allocation studies and, in most cases, assistance with manager selection. (Two of the firms in the accompanying list, BARRA and Richards & Tierney, do no manager searches; another, TPF&C, has gone into the search business only recently.)

The total reflects asset levels reported by the consultants for all their U.S. tax-exempt clients, not just pension funds, which helps to account for the large number. Also, some funds may use different consultants for different tasks, possibly leading to some double-counting in the asset total.

Many consultants said they don't track the amount of money placed through the searches they perform. However, Eager Associates, Louisville, Ky., tracks this by looking at asset shifts publicized in *Pensions & Investment Age* and other industry periodicals.

According to Eager Associates, eight of the top consulting firms placed at least $8.4 billion during the 12 months ended June 30.

The firms and their numbers are SEI Funds Evaluation Services, Wayne, Pa., $1.8 billion; Wilshire Associates, Santa Monica, Calif., $1.8 billion; Callan Associates Inc., San Francisco, $1.2 billion; Rogers, Casey & Barksdale Inc., Stamford, Conn., $1.2 billion; William M. Mercer Meidinger Hansen Inc., Deerfield, Ill., $1 billion; Evaluation Associates Inc., Norwalk, Conn., $590 million; Frank Russell Co., Tacoma, Wash., $539 million; and DeMarche Associates, Kansas City, Mo., $322 million.

Eager Associates' figures are based on published reports, but consultants may have done additional placements in the period represented. One that did provide its own figures to *P&I Age*, Mercer Meidinger Hansen, stated it placed $2.3 billion in the year ended June 30. Another, Callan, announced it placed $3 billion.

SEI officials could not provide figures for that 12-month period, but said the firm placed $4 billion in 1987 and $3.1 billion in the first six months of 1988.

Wyatt Asset Services Inc., Boston, not represented in Eager Associates' data, placed $2 billion in the 12 months ended June 30, Wyatt officials said. Data on placements was not available from another firm in the accompanying list, Collins Associates, Newport Beach, Calif., nor was it in Eager Associates' data.

The degree of consultants' influence varies. Most say the final decision on asset allocation and manager hiring rests with the client.

"In the final analysis, this is their money," said Sandy Lincoln, managing director of Mercer Meidinger Hansen. "If a client says, 'Tell us who to hire,' this is not a question our consultants should answer."

"We are in an advisory capacity, and clients may or may not take our advice," said James F. Beasley, chief operating officer of Rogers, Casey & Barksdale. "Ultimately, it's the client (who makes the decision) — what we're trying to do is bring some expertise to bear."

Some clients want their consultants to be in more than an advisory capacity, however. Collins Associates actually has full discretion over about one-third of its accounts, doing all hiring and firing of managers, said Budge Collins, president.

This is an unusual situation, but the firm's influence is strong even in its other accounts, Mr. Collins said. "Our clients generally take our advice," he said. "If they don't, they usually don't stay clients."

The degree of influence can vary according to the fund size and in-house expertise. "The larger a plan you're dealing with, the less direct influence you have," said Asghar Alam, national director of Wyatt Asset Services.

"Our influence is very substantial with clients where they're looking for us to be the 'prudent expert,' " Mr. Lincoln said. These usually are clients who don't feel they have sufficient expertise in-house, he said.

The proliferation of investment strategies has increased clients' need for consultant expertise, said Ed Loughlin, senior vice president of SEI. "It's a confusing environment out there," he said. "They really do need the guidance and the advice, but they also want to know, what would we do," he said.

"Influence is knowledge, and we help the trustees have more knowledge," added Ron Peyton, president of Callan Associates.

Consultants serving large pools of assets had varying explanations for their prominence in the market. Most of them have some very large funds on their roster — for example, the average public fund client of Wilshire Associates has $5 billion in assets and its average corporate fund client has

Continued on page 47

Tax-exempt assets of consultants' clients

Firm	$ billions
BARRA	250
Wilshire Associates	230
SEI Funds Evaluation	210
Frank Russell Co.	200
Callan Associates	150
Mercer Meidinger Hansen	150
DeMarche Associates	100
Rogers, Casey & Barksdale	100
TPF&C	100
Richards & Tierney	55
Wyatt Asset Services	52
Evaluation Associates	46
Collins Associates	40

Source: *Pensions & Investment Age*

Bypassing consultants

Funds looking for more from their managers

By Fred Williams

While the pension consulting business grows in size and influence each year, some larger pension plan sponsors either don't use a consultant or are turning to their investment managers and master trust banks to act in a consulting capacity in directing the assets of their funds.

The growing sophistication and development of pension plan managers in larger funds is in part responsible for their taking on more responsibility for directing their funds internally with data provided by their banks and specialty investment managers instead of pension consultants.

The use of investment managers in a consulting role was brought to the attention of the pension industry recently by Robert E. Shultz, vice president-pension asset management at RJR Nabisco Inc., Atlanta, and a key industry spokesman for large pension plan sponsors. The Nabisco plan has about $2.5 billion in total assets.

Addressing the Financial Analysts Federation earlier this year, Mr. Shultz said he favored having larger, but fewer, investment manager relationships and tapping managers for input "over and above the portfolio they own."

"In other words, beyond adding value, I would like to use the manager to serve as a consultant to help me do my job better. I would suggest that given the right combination of managers, the sponsor should have the best consultants available in the business," said Mr. Shultz.

Mr. Shultz may not have been the first to use the approach, but he has set the tone for other large plan sponsors who say they can and should use investment managers to help improve overall investment performance beyond just managing a portfolio. Even some pension consultants agree with the approach.

"We've observed that as corporate plan sponsors get smarter and the business becomes more complex many companies are using consultants for project-type work rather than for calling the shots," said Sam DeKinder, executive vice president at DeMarche Associates, Kansas City, Mo.

"We have a number of clients that use us as a data source and gather an opinion from us from their custodian, money managers and banks, then compile the information and make their decisions," said Mr. DeKinder. "We still have a strong input but what

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Few perceive chips stacked for favoritism

By Carol Wiley

Do consultants focus on a relatively small number of their favorite money managers during searches despite their claims they seek out the "right" managers for their pension fund clients?

Consultants, money managers and an investment adviser marketing firm unsurprisingly said no, as did pension executives for the most part, although all acknowledged some abuses in the industry. One public pension fund, however, had sworn off consultants for eight years until recently, when politics demanded that one be used.

In many cases consultants may recommend the same list of managers several times, particularly if the manager is one of only a few in a specialty; if the manager has supremely good performance numbers; or if the consulting firm is small and cannot afford the large manager data bases on which the larger firms rely. Those surveyed also warned of consultants who may recommend managers with whom they have brokerage or soft-dollar agreements.

However, a software data base system called Tracker sold by Eager Associates, a Louisville, Ky.-based consulting firm, indicates the five largest U.S. consulting firms showed no favoritism in about 2,800 manager searches during the past four years.

The five largest firms — those with the most manager searches in the data base — are, ranked by number of searches: SEI Corp., Deerfield, Ill., which recommended 119 different managers in 236 searches in the data base; William M. Mercer Meidinger Hansen Inc., Louisville, which recommended 94 managers in 142 searches; Wilshire Associates, Santa Monica, Calif., 88 managers in 137 searches; Callan Associates Inc., San Francisco, 68 managers in 86 searches; and Frank Russell Co., Tacoma, Wash., 55 managers in 75 searches.

The three managers hired most often upon recommendation by SEI were The Boston Co., hired 11 times; Sun Banks, Orlando, Fla., 10 times; and Denver Investment Advisors, eight times.

Managers hired most often in searches by Mercer Meidinger Hansen were Trust Co. of the West, Los Angeles, five times; Dimensional Fund Advisors, Santa Monica, four times; and Duff & Phelps Investment Management Co., Chicago, four times.

Managers hired most often in searches by Wilshire include Schroder Capital Management International, New York, five times; Baring International Investment Ltd., London, four times; and Mellon Capital Management, San Francisco, four times.

Managers hired most often upon recommendation by Callan include Bankers Trust Co. — Investment Management Group, New York, four times; and Loomis, Sayles & Co., three times for two different products. Thirteen managers were hired two times each in Callan searches.

Managers hired most often upon recommendation of Russell include Sanford C. Bernstein & Co., New York, four times; Chase Investors Management Corp., New York, four times; and Miller, Anderson & Sherrerd, Bala Cynwyd, Pa., four times.

Only four of the managers were recommended by more than one consultant. They were Loomis, Sayles, recommended by SEI and Callan; J.P. Morgan Investment Management Inc., New York, by Wilshire and Russell; Sanford Bernstein, by Callan and Russell; and T. Rowe Price Associates, Baltimore, by Mercer Meidinger Hansen and Russell.

The data show "consultants play favorites a lot less than the general public thinks," said David Eager, president of Eager Associates. "Most managers think it's difficult breaking in, that it's a closed club. Pension fund sponsors think that too, but it's not true."

"There are some smaller consulting groups that haven't been able to employ the data banks for one reason or another and still may tend to be more specialized, and, because of their situation, use a smaller range of managers," said Dick Silverness, president of Vestmark Inc., a Minneapolis firm that markets managers to consultants. "But that is a function of what they can afford."

Mr. Silverness, the first pension chief at General Mills Corp., Minneapolis, in 1968, was a consultant for 14 years, 10 of those as a partner at Wilshire. He has been president of Vestmark since 1984.

"Unfortunately, there are still some groups of consultants who

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Two to one: Dick Silverness of Vestmark, left, and Larry Davanzo of Wilshire, right, don't believe favoritism is rampant in the consulting industry; Benchmark Asset's Bob Harrell, center, disagrees.

Sydney is one of many cities in Australia where U.S. investment management consultants hope to gain a foothold in the growing pension industry.

Australia a star of U.S. hit lists

SYDNEY, Australia — Competition for investment management consulting contracts is heating up Down Under — including efforts by U.S. consultants eager to get a piece of the growing $80 billion Australian pension market.

One of the latest entrants into the consulting field, John A. Nolan & Associates, Melbourne, has ties to three U.S. organizations — William M. Mercer Inc., New York; Collins Associates, Newport Beach, Calif.; and Inter-Sec Research Corp., Stamford, Conn.

Founded in September 1987 by John Nolan, former director-finance and administration of the $1.1 billion State Electricity Commission of Victoria pension fund, the firm is targeting the 12 largest Australian funds — those typically with at least $500 million in assets.

That places Nolan in direct competition with such major consulting forces as Tacoma, Wash.-based Frank Russell Co. and Sydney-based Morrow Australia Pty. Ltd.

Russell officially entered the Australian pension market two years ago, although its organization had provided management consulting advice to Dick Dusseldorp, chairman of Australian real estate developer Lend Lease Corp., as far back as 1983.

Russell now has 11 Australian clients, nine of which are pension-type organizations and two are financial institutions. "Australian plan sponsors and money managers are much more accom-

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A new tug of war

2 groups attempting to woo consultants

By Curtis Vosti

Two organizations are waging a sometimes-acrimonious fight for the allegiance of the growing ranks of consultants interested in the middle-market investor.

While spokesmen for both the Investment Management Consultants Association, Denver, and the Institute for Investment Management Consultants, Scottsdale, Ariz., say their aim is to improve the professionalism of those providing investment services, their organizations have chosen different paths.

(The middle market investor is defined as trustees or individuals in charge of retirement assets between $500,000 and $100 million.)

The IMCA, formed in 1985, claims 350 members and recently certified 32 in its first certification program offered through the Wharton School of Business at the University of Pennsylvania in Philadelphia.

The IIMC, formed in 1986 by some who left the IMCA over a policy split, offered initial memberships this past spring, claims almost 100 members and soon will grant 24 certifications.

"There is no question that the two organizations are competitive and will continue to be competitive," said IIMC Executive Director Jim Johnson.

What they are competing for is the "perhaps 75%" of middle-income funds run by part-time trustees who do not use outside financial advisers, according to Jim Owen, IMCA executive vice president. "The middle-market fund is where the dynamic growth in our industry will occur," he said.

But that anticipated growth also could bring associated problems as brokers expand into consulting. Increasing business could also highlight the traditional problem of lack of standardization within the industry.

"Everyone's a financial planner but few are qualified," said Dan Bott, who helped form the IMCA, but left over a policy dispute on membership. He is now the IIMC's chairman of the board of trustees.

"The potential for abuses in this industry are tremendous," Mr. Owen said.

"Why hasn't our industry dealt with abuses — that we all know about — with managers reporting performance figures? If we don't watch out, the Securities and Exchange Commission is going to come down on us, like it did with mutual funds, and impose standards, and I don't think that's what the industry wants."

George Dunn, past president of the IMCA, agrees with the need for identification of qualified consultants.

"I have a concern that not all of those who call themselves consultants are prepared to be full-blown consultants," Mr. Dunn said. "Our goal is to continue to elevate the profession. We're trying to address the objective of professionalism in the industry."

To address those perceived problems, the two groups have what they say are different approaches, although there are similarities.

Both offer a certification program designed to recognize a certain level of qualifications; both stress the value of continuing education and acknowledge experience in some way. They are disputing title to the service mark "Certified Investment Management Analyst" and other designations, and have exchanged letters claiming those perceived property rights.

There are other, more tangible differences, some of them personal.

Mr. Bott left the IMCA after a disagreement with Mr. Owen over the direction of the organization.

"There was a philosophical difference of opinion between Jim and myself over how the organization should move forward," Mr. Bott said. With an eye toward a growing industry, Mr. Bott thought the IMCA was leaning toward benefiting money managers, like Mr. Owen, at the expense of broker/consultants, like himself.

"The involvement of money managers is important, but the direction has to be controlled by consultants," said Mr. Bott, a vice president and practicing consultant in the Scottsdale office of Shearson Lehman Hutton Inc. Mr. Bott stressed he speaks only for the IIMC.

"I think Dan felt that having money managers involved was somehow a conflict of interests," said Mr. Owen, managing director of NWQ Investment Management Co., Los Angeles.

"We don't agree with that," he said. "There are common problems we all (attorneys, CPAs, money managers and consultants) can meet on and discuss."

Of the eight members of IMCA's board of directors, Mr. Owen said, five are consultants, two are money managers and one an attorney.

There are also differences in the certification programs. While both seek to increase the education of the consultant, there are different qualifications to enter the programs.

The IIMC offers differing levels of certification mainly based on practical experience, according to Mr. Johnson.

Dues for the first year are $175

Continued on page 47

DIRECTORY

The information contained in the following profiles was developed by *Pensions & Investment Age* from answers to questionnaires.

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a

Analysis Group Inc.

18 Moore St., Belmont, Mass. 02178; (617) 489-4200

Analysis Group provides development of investment policies, objectives and asset allocation; U.S. manager evaluation and selection; and U.S. performance measurement and analysis.

The firm also offers proxy voting advisory services and economic and financial research.

The firm provides the following to the investment management industry: assistance in voting proxies and proxy administration, and research and analysis of proxy voting issues.

The firm has special expertise in economics, finance and public policy issues affecting institutional investors.

Significant changes or developments at the firm in the past year include the formation of a business unit to advise institutional investors on proxy voting issues.

There are 45 professional consultants. Fees are payable in hard and soft dollars.

James E. Heard, director of institutional financial services unit, is the client contact.

H B Aschwald & Associates

P.O. Box 66, Corte Madera, Calif. 94925; (415) 924-1222

H B Aschwald & Associates provides development of investment policies, objectives and asset allocation; U.S. manager evaluation and selection; and U.S. investment performance measurement and analysis.

The firm provides the following services to the investment management industry: quantitative performance measurement and quantitative tactical asset allocation.

Aschwald has special expertise in U.S. manager evaluation and selection for plans between $1 million and $15 million.

The firm offers a broker-dealer inventory to clients.

Aschwald provided services to 42 non-retainer clients during the past year, of which 20 were corporate and 22 were public.

There are three professional consultants. Fees are payable in hard and soft dollars.

Howard Aschwald is the client contact.

Public funds: Nov. 28.

Asset Management Search Consultants

1400 Skyline Tower, Bellevue, Wash. 98004; (206) 462-5062 or (800) 654-5782

Asset Management Search Consultants, a subsidiary of Dain Bosworth, provides development of investment policies, objectives and development of appropriate asset allocation; U.S. manager evaluation and selection; and U.S. performance measurement and analysis.

Asset Management Search Consultants has special expertise in working with small plans — those with assets between $100,000 and $5 million.

Of the seven institutional clients on retainer, six are corporate and one is an endowment. The firm also provided services to four corporate non-retainer clients during the past year.

There is one professional consultant. Fees are payable in hard and soft dollars.

Clients include Westmark International, Lutheran Bible Institute of Seattle, Seattle Northwest Securities and Allied Body Corp.

Stephen L. Kessler, president, is the client contact.

b

Ballard Biehl & Kaiser Inc.

2755 Campus Drive, San Mateo, Calif. 94403; (415) 571-5800

Ballard Biehl & Kaiser Inc. helps develop appropriate asset allocations, focusing on its special expertise of tactical asset allocation among domestic stocks and bonds, international stocks and bonds, real estate, gold and cash.

Ballard Biehl & Kaiser offers two investment vehicles: BB&K International Fund, which is primarily composed of equities and BB&K Diversafund, a global tactical asset allocation vehicle.

Of the 10 clients on retainer, eight are corporate and two are public.

There are four professional consultants. Fees are payable in hard and soft dollars.

Clients include Bechtel, California Public Employees', Ameritech and Hughes Aircraft.

Brian E. Schaefer is client contact.

BARRA

1995 University Ave., Suite 400, Berkeley, Calif. 94704; (415) 548-5442

BARRA provides development of investment policies, objectives and asset allocation; and U.S. and foreign investment performance, measurement and analysis.

The firm also offers portfolio risk analysis and optimization; asset allocation tools; currency risk modeling; multiple manager analysis and optimization; normal portfolio construction; fulfillment fund construction; customized risk and valuation models; and seminars and newsletters.

The firm provides the following to the investment management industry: U.S. and international equity and fixed-income analyses; risk models of the world's major capital markets; and value-added consulting.

The firm has special expertise in quantitative investment methods.

During the past year, the firm opened offices in Hong Kong and Sydney and expanded its Tokyo office.

The are approximately 250 retainer clients, of which 50 are corporate, 10 are public and the remainder a mix of institutions, money managers and other consultants. Services also were provided to 50 non-retainer clients during the past year.

There are 60 professional consultants. Fees are payable in hard and soft dollars.

Barbara Hodges is the client contact.

Bateman Eichler, Hill Richards Inc.; The Consulting Group

700 S. Flower St., Suite 2700, Los Angeles, Calif. 90017-4259; (213) 683-3979

Bateman Eichler, Hill Richards Inc.; The Consulting Group, a unit of Bateman Eichler, Hill Richards Inc., provides development of investment policies, objectives and asset allocation; U.S. and foreign manager evaluation and selection; and U.S. and foreign performance measurement and analysis.

The firm has special expertise in multimanager portfolio analysis.

Of the 270 institutional clients on retainer, 227 are corporate, three are public and 40 are union.

There are 12 professional consultants. Fees are payable in hard and soft dollars.

The firm is introducing an investment vehicle, the Collective Trusts, in this quarter.

Steven W. Arnold and Thomas Y. Sakai, managing directors, are the client contacts.

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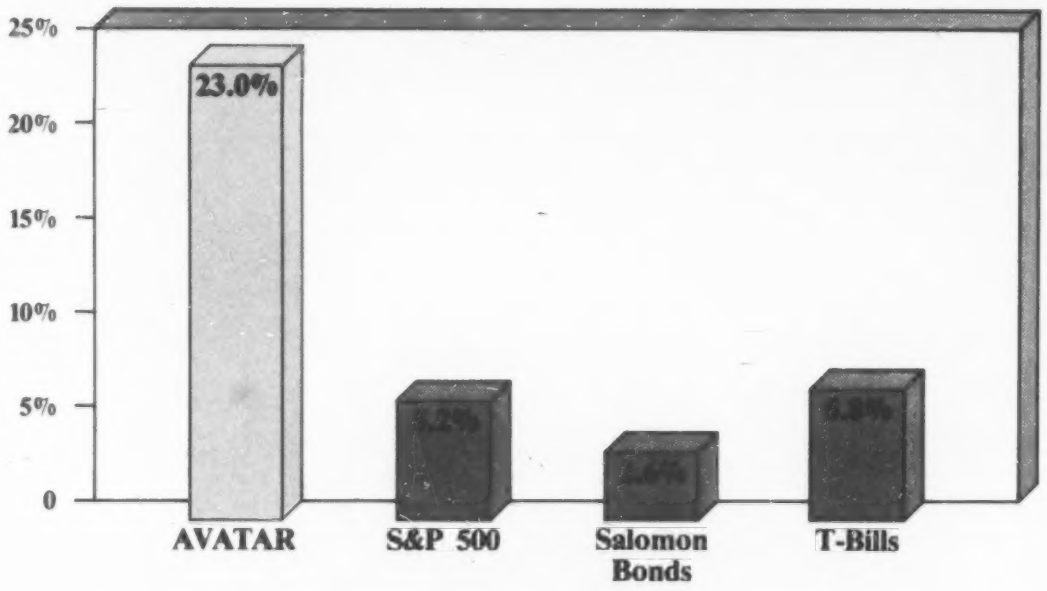

Performance is the mean time-weighted total rates of return of all discretionary tax-exempt accounts over $1 million. Past performance is no guarantee of future results.

■ EQUITY PORTFOLIO MANAGEMENT. Active stock selection (large capitalization issues) combined with the critical portfolio stocks/cash mix shifts.

■ TACTICAL ASSET ALLOCATION. Same asset mix shifts cost-efficiently implemented with an index fund and cash fund. Or, use stock index futures as an "invisible" hedge overlay to actively/passively managed equities.

AVATAR ASSOCIATES — 900 Third Avenue, NY, NY 10022 — Bruce Poliquin, VP, (212) 753-7710

E.M. Beam & Associates

12813 E. Paul, Clovis, Calif. 93612; (213) 688-6698 or (209) 299-4152

E.M. Beam & Associates, a subsidiary of Morgan, Olmstead, Kennedy & Gardner Inc., provides development of investment policies, objectives and asset allocation; U.S. and foreign manager evaluation and selection; and U.S. and foreign performance measurement and analysis.

The firm provides the following services to the investment management industry: analysis of the effectiveness of equity transactions and relative strength of industry participation.

The firm has special expertise in analysis of equity involvement in a portfolio.

Of the five retainer clients, four are corporate and one is union. The firm also provided services to five non-retainer clients during the past year, of which three were corporate, one was public and one was union.

There are two professional consultants. Fees are payable in hard and soft dollars.

Ed Beam is the client contact.

Becker, Burke Associates

221 N. LaSalle St., Suite 1000, Chicago, Ill. 60601; (312) 782-5665

Becker, Burke Associates Inc. provides development of investment policies, objectives and asset allocation; U.S. and foreign manager evaluation and selection; U.S. performance measurement and analysis; and analysis of foreign investment performance.

The firm also offers customized performance standards, performance-based fees and health and casualty insurance investment policy.

The firm provides the following to the investment management industry: performance measurement and evaluation and customized performance standards.

The firm has special expertise in investment policy asset allocation, manager search, performance evaluation, performance-based fees and Blue Cross-Blue Shield.

Of the 31 clients on retainer, 13 are corporate, nine are public, four are union with five in other categories. The firm also provided services to six non-retainer clients during the past year, of which three were corporate, two were public and one that did not fit these categories.

There are four professional consultants. Fees are payable in hard and soft dollars.

Clients include Chicago Municipal Employees, State of Vermont, Perkin-Elmer and Nalco Chemical.

Howard H. Pohl is the client contact.

Berg Fiduciary Consultants

363 Westchester Ave., Port Chester, N.Y. 10573; (914) 937-7111

Berg Fiduciary Consultants Inc., an affiliate of Plan Sponsor Network Inc., provides development of investment policies, objectives and asset allocation; U.S. and foreign manager evaluation and selection; U.S. performance measurement and analysis; and foreign investment performance measurement.

The firm also offers assistance with 401(k) investment supervision planning and direct investment management responsibilities of 401(k) managers, and negotiation of guaranteed investment contracts.

The firm provides the following to the investment management industry: rankings in peer group within the Plan Sponsor Network manager data base.

The firm has special expertise in evaluation of equity and fixed-income managers.

During the past year, the firm added a principal, Mary Anne Johnson, specializing in equity manager strategy and evaluation projects.

Of the 12 clients on retainer, eight are corporate, one is public and three are union. The firm also provided services to three non-retainer clients during the past year, of which two were corporate and one was public.

There are two professional consultants. Fees are payable in hard and soft dollars.

Clients include Continental Airlines, ICMA Retirement, Insilco and United Food and Commercial Workers.

Paul E. Berg, president, is the client contact.

Berla Investment Consulting

P.O. Box 4332, Walnut Creek, Calif. 94596; (415) 947-0326

Berla Investment Consulting provides development of investment policies, objectives and asset allocation; U.S. and foreign manager evaluation and selection; and U.S. and foreign performance measurement and analysis.

The firm has special expertise in performance measurement and analysis.

Of the 20 retainer clients, 14 are corporate, three are public and three are union. The firm also provided services to three non-retainer clients during the past year, of which two were corporate and one was union.

There are two professional consultants. Fees are payable in hard dollars.

Retainer clients include Merritt Peralta Medical Center, Plumber and Steamfitters Local 393, Santa Barbara Savings & Loan and Valley Memorial Hospital.

George A. Berla, president, is the client contact.

Alan D. Biller & Associates

P.O. Box 879, Palo Alto, Calif. 94302; (415) 326-7283

Alan D. Biller & Associates provides development of investment policies, objectives and asset allocation; U.S. and foreign manager evaluation and selection; and U.S. performance measurement.

The firm also offers consulting services on an on-going basis for several Taft-Hartley plans.

The firm provides the following service to the investment management industry: the licensing of Pensions Options, a proprietary asset/liability optimization planning software tool.

The firm has special expertise in asset/liability analysis and implementation of plan policies.

There are two union retainer clients.

There are three professional consultants. Fees are payable in hard and soft dollars.

Clients include the Western Conference of Teamsters and the ILWU-PMA.

Alan Biller is the client contact.

Boettcher & Co. — Investment Management Group

828 17th St., Denver, Colo. 80202; (303) 628-8488

Boettcher & Co. provides development of investment policies, objectives

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and asset allocation; U.S. and foreign manager evaluation and selection; and U.S. and foreign performance measurement and analysis.

The firm has special expertise in risk evaluation and asset allocation.

Of the 235 retainer clients, 195 are corporate, 34 are public and six are union. The firm also provided services to seven non-retainer clients during the past year.

There are 10 professional consultants. Fees are payable in hard and soft dollars.

Clients include Western Farm Bureau, University of Wyoming, U.S. Volleyball Association and Blue Cross/Blue Shield.

Michael Bunn, senior vice president and director, is the client contact.

BT Information Services

280 Park Ave., New York, N.Y. 10017; (212) 850-4309

BT Information Services, a subsidiary of Bankers Trust Co., provides development of investment policies, objectives and asset allocation; and U.S. and foreign investment performance measurement and analysis.

The firm also provides BT Monitor, which enables clients to monitor trade executions and brokerage commissions.

There are 86 retainer clients, of which 78 are corporate, two are public and six are union.

There are five professional consultants. Fees are payable in hard and soft dollars.

The firm can provide investment vehicles through Bankers Trust Co. — Investment Management Group.

Clients include Bechtel, Hershey Foods, Lockheed and Shell Oil.

Harvey D. Hirsch, vice president, is client contact.

Buck Pension Fund Services

2 Pennsylvania Plaza, New York, N.Y. 10121; (212) 330-1300

Buck Pension Fund Services, a subsidiary of Buck Consultants Inc., provides development of investment policies, objectives and asset allocation; U.S. and foreign manager evaluation and selection; and U.S. and foreign performance measurement and analysis.

The firm also offers GIC consulting services.

The firm provides assistance in the construction of benchmark portfolios to the investment management industry.

Significant changes or developments at the firm in the past year include the introduction of benchmark portfolio services.

Of the 35 clients on retainer, 29 are corporate, four are public and two are union. The firm also provided services to 20 non-retainer clients during the past year, of which 18 were corporate and two were public.

There are seven professional consultants. Fees are payable in hard and soft dollars.

Clients include New York State Teachers, Connecticut Mutual Equity Fund, Southwestern Bell and Sara Lee.

Catherine A. Higgins, president, is the client contact.

Butcher Consulting Group

2500 Grant Building, Pittsburgh, Pa. 15219; (412) 232-1000

Butcher Consulting Group, a subsidiary of Butcher & Co., provides development of investment policies, objectives and asset allocation; U.S. and foreign manager evaluation and selection; and U.S. and foreign performance measurement and analysis.

The firm offers the GRID (Graphical Ranking of Investment Descriptors) portfolio classification and ranking system for use in manager selection and the STIFS (Short Term Investment Fund Summary) data base of cash managed funds and portfolios. The firm also offers evaluation of cash managers.

The firm provides the GRID and STIFS data base performance results to the investment management industry.

The firm has special expertise in working with non-profit organizations, particularly hospitals, using microcomputer graphics and statistical data bases and working with clients of $25 million to $350 million.

Significant changes or developments at the firm in the past year are the introduction of STIFS.

Of the 85 clients on retainer, 42 are corporate, six are public, five are union and 32 are non-profit institutions. The firm also provided services to 15 non-retainer clients during the past year, of which eight were corporate, five were public and two were union.

There are 11 professional consultants. Fees are payable in hard and soft dollars.

Clients include City of Pittsburgh, Duquesne Light, Rorer and Shadyside Hospital.

James E. Yanni and Terry Bilkey, senior vice presidents, are the client contacts.

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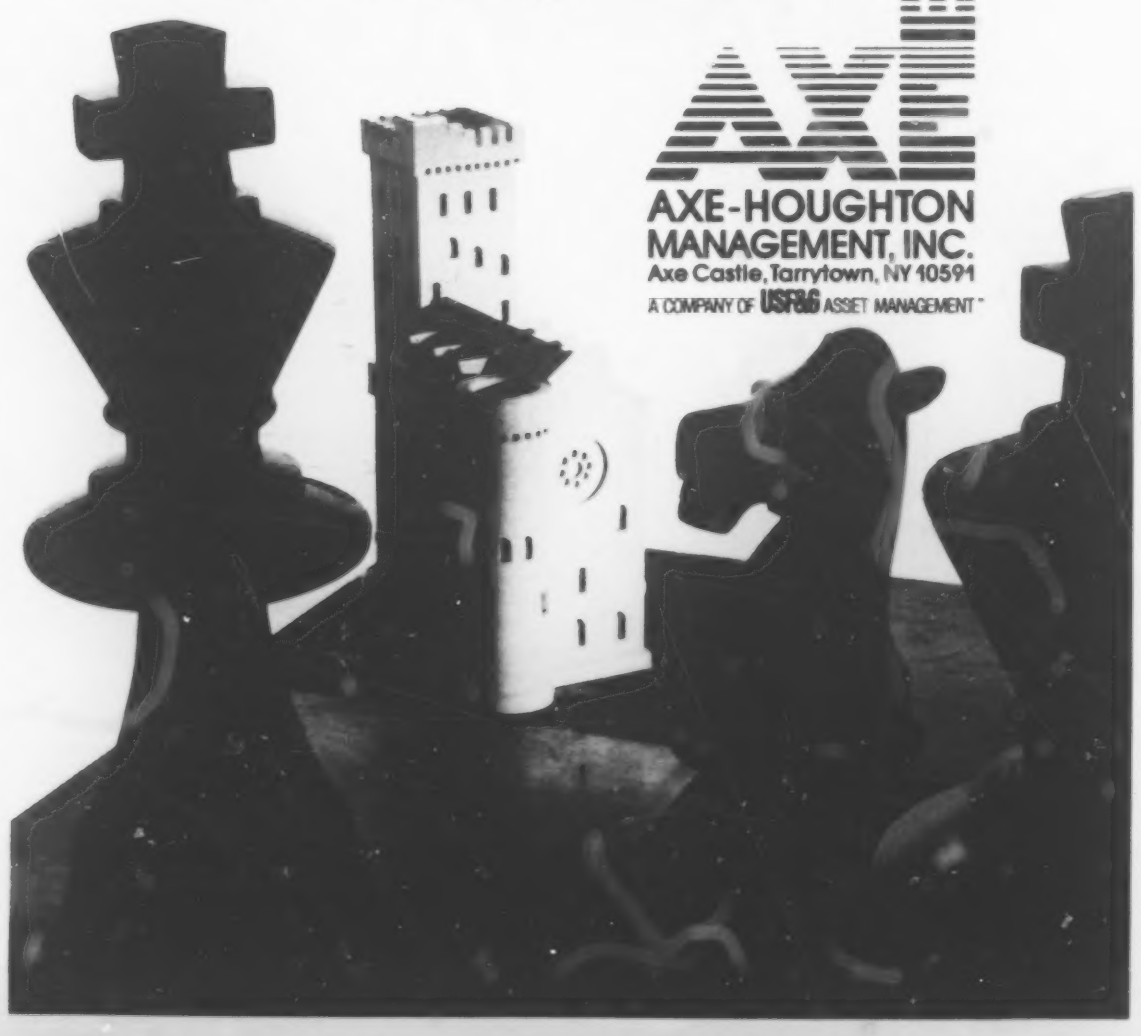

AXE-HOUGHTON MANAGEMENT, INC.
Axe Castle, Tarrytown, NY 10591
A COMPANY OF USF&G ASSET MANAGEMENT

C

Callan Associates Inc.

71 Stevenson St., Suite 1300, San Francisco, Calif. 94105; (415) 974-5060

Callan Associates Inc. provides development of investment policies, objectives and asset allocation; U.S. and foreign manager evaluation and selection; and U.S. and foreign performance measurement and analysis.

The firm also offers portfolio audit service, equity and fixed-income style analysis, performance attribution analysis, manager structure analysis, trading cost analysis, software planning tools for PCs, educational services and real estate investment consulting services.

The firm provides the following services to the investment management industry: manager style analysis, investment measurement, portfolio monitoring, trading cost analysis, performance attribution analysis, presentation consulting and special projects.

The firm has special expertise in strategic planning services, real estate program administration and management, portfolio auditing, educational services and nuclear decommissioning fund consulting.

Significant changes or developments at the firm in the past year are the addition of the Callan real estate services, the Taft-Hartley and the manager services divisions.

Of the 178 clients on retainer, 61 are corporate, 38 are public and 29 are union, with 50 clients in other institutional categories. The firm also provided services to 66 non-retainer clients during the past year, of which 32 were corporate, 14 were public, 10 were union and 10 were in other institutional categories.

There are 27 professional consultants. Fees are payable in hard and soft dollars.

Ronald D. Peyton, president, is client contact.

Cambridge Associates Inc.

1 Financial Center, Boston, Mass. 02111; (617) 439-3232

Cambridge Associates Inc. provides development of investment policies, objectives and asset allocation; U.S. and foreign manager evaluation and selection; and U.S. and foreign performance measurement and analysis.

The firm also offers to all clients extensive investment and financial planning research reports.

The firm has special expertise in financial and investment planning for non-profit institutions, with extensive coverage of non-traditional assets.

There are 200 endowment clients on retainer.

The firm is affiliated with Lewis Bailey Associates, which deals exclusively

...h corporate institutional clients and ...rge family groups.

There are 20 professional consultants. Fees are payable in hard and soft dollars.

Clients include Harvard University, MacArthur Foundation, Metropolitan Museum of Art and the University of Texas.

David B. Thurston is the client contact.

The Capital Control Group

108 Wilmot Road, Suite 220, Deerfield, Ill. 60015; (312) 940-4901

The Capital Control Group Ltd. provides development of investment policies, objectives and asset allocation; U.S. manager evaluation and selection; and U.S. investment performance measurement and analysis.

The firm also offers close assistance to trustees in establishing a written statement of goals and objectives, manager searches and monitoring and the implementation of established goals and objectives.

The firm provides brokerage and monitoring of performance to the investment management industry.

The firm has special expertise in dealing with Taft-Hartley plans.

Significant changes or developments at the firm in the past year include the addition of Alan M. Meyer as a consultant.

Of the 35 clients on retainer, 30 are corporate and five are union. The firm also provided services to 50 non-retainer clients during the past year.

There are four professional consultants. Fees are payable in hard and soft dollars.

Clients include Plumbers/Pipefitters locals 219 and 85, Ford Tool and Parkway Bank of Chicago.

Jay Rosen, president, is client contact.

Pensions & Investment Age will profile the nation's largest pension funds Jan. 23.

Capital Management Sciences

10920 Wilshire Blvd., Suite 1203, Los Angeles, Calif. 90024; (213) 824-9715

Capital Management Sciences provides fixed-income and asset allocation software for immunization, indexation, cash matching, FASB, security valuation, structured management and performance attribution. The firm also provides customized software products.

There are approximately 140 clients. There are eight professional consultants. Fees are payable in hard and soft dollars.

Laurie S. Adami, senior vice president, is client contact.

Capital Trust Co.

4380 S.W. Macadam Ave., Portland, Ore. 97201; (503) 228-2300

Capital Trust Co., a subsidiary of The Lexington Group, provides development of investment policies, objectives and asset allocation; U.S. and foreign manager evaluation and selection; and U.S. and foreign investment performance measurement and analysis.

The firm also offers tactical asset allocation.

It has special expertise in the development of investment policy, strategic asset allocation and the evaluation of investment managers for unique asset classes, such as international equities and venture capital.

Significant changes or developments at the firm in the past year include the merger of CTC with The Lexington Group, a financial services holding company.

Of the four institutional clients on retainer, three are corporate and one is public. The firm also provided services to four corporate non-retainer clients during the past year.

There are five professional consultants. Fees are payable in hard and soft dollars.

The firm offers six commingled funds for its tax-exempt clients.

Clients include the Public Employees Association of Colorado, Pacific Power & Light and Pay Less Drug Stores.

Ralph C. Rittenour Jr., managing director, is the client contact.

The Carmack Group Inc.

201 S. Lake Ave., Pasadena, Calif. 91101; (818) 449-0721

The Carmack Group Inc. provides development of investment policies, objectives and asset allocation; U.S. and foreign manager evaluation and selection; and U.S. and foreign performance measurement and analysis.

The firm also offers expert witness and quantitative studies.

The firm provides quarterly "MPR" graphic analyses of investment performance to the investment management industry.

It has special expertise in performance attribution and development of relevant peer group and normal portfolios.

There are 11 corporate retainer clients. The firm also provided services to eight corporate non-retainer clients during the past year.

There are 12 professional consultants. Fees are payable in hard and soft dollars.

Clients include Cal Tech, Lear Siegler, Loyola Marymount University and AH&L.

J.A. Carmack is client contact.

C&B Consulting Group

231 S. Bemiston, St. Louis, Mo. 63105; (314) 725-0114

C&B Consulting Group, a subsidiary of Corroon & Black Corp., provides development of investment policies, objectives and asset allocation; U.S. manager evaluation and selection; and U.S. performance measurement.

The firm also offers GIC selection.

It has special expertise in actuarial/asset/liability analysis.

There are four professional consultants. Fees are payable in hard dollars.

J. Reuben Rigel is the client contact.

CDA Investment Technologies Inc.

1355 Piccard Drive, Rockville, Md. 20854; (301) 975-9600

CDA Investment Technologies Inc., a subsidiary of International Thomson Organization Ltd., provides development of appropriate asset allocation; U.S. manager evaluation and selection; and U.S. and foreign investment performance measurement and analysis.

The firm provides the following to the investment management industry: guidance in asset allocation development, U.S. manager evaluation and selection, domestic performance measurement and analysis.

The firm has special expertise in on-line and personal computer systems, performance measurement and universe comparisons with color graphics.

There are 1,000 non-retainer clients.

There are 10 professional consultants. Fees are payable in hard and soft dollars.

James Warren, vice president, is client contact.

C.E.D.A.R. Investment Services Ltd.

902 Kapilano, 100 Park Royal, West Vancouver, British Columbia V7T 1A2; (604) 926-7355

C.E.D.A.R. Investment Services Ltd., a subsidiary of Crawford E. Laing Ltd., provides development of investment policies, objectives and asset allocation; Canadian manager evaluation and selection; and Canadian investment performance measurement and analysis.

The firm also offers analysis of corporate responsibility for investments.

It provides an ethical pooled pension trust fund to the investment management industry.

A reputation for being a source of strength in troubled waters isn't built overnight.

In fact, the conservative, risk-averse financial principles that built Republic National Bank of New York have their origins in the practices of the century-old Safra family banking traditions.

This thread has also guided our investment philosophy which emphasizes investment in a portfolio of mutual funds–a most effective way to:

1. Reduce risk in today's volatile markets through a high level of diversification.
2. Preserve capital.
3. Provide a proven record of consistently rewarding investment results.

All the above is accomplished through careful asset allocation based on client guidelines and a disciplined selection of a portfolio of mutual funds representing the top money managers proven over a period of time.

Our service at RNB provides pension, thrift and profit-sharing funds with a secure harbor.

REPUBLIC NATIONAL BANK OF NEW YORK

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William H. Todd
Senior Advisor–Investments
212-525-6150

The firm has special expertise in the analysis of corporate responsibility.

Significant changes or developments at the firm in the past year include a clientele shift toward union accounts.

Of the 12 clients on retainer, six are corporate, two are public and four are union. The firm also provided services to nine non-retainer clients during the past year, of which two were corporate, two were public and five were union.

There are two professional consultants. Fees are payable in hard dollars.

Its investment fund is the C.E.D.A.R. Balanced Fund.

Crawford E. Laing, president, is client contact.

Burgess Chambers and Associates

P.O. Box 3316, Winter Park, Fla. 32790; (407) 644-0111

Burgess Chambers and Associates provides development of investment policies, objectives and asset allocation; U.S. manager evaluation and selection; and U.S. investment performance measurement and analysis.

The firm has special expertise in developing statements of investment policy, investment manager searches and monitoring manager performance.

It has two retainer clients, one corporate and one union. The firm also provided services to five corporate non-retainer clients during the past year.

There are two professional consultants. Fees are payable in hard dollars.

Burgess Chambers is client contact.

Collins Associates

840 Newport Center Drive, Suite 660, Newport Beach, Calif. 92660; (714) 644-5771

Collins Associates provides development of investment policies, objectives and asset allocation; U.S. and foreign manager evaluation and selection; and U.S. and foreign performance measurement and analysis.

The firm also offers pre-funding of post-retirement health benefits and a variety of other services, including assisting with policy setting.

The firm has special expertise in researching the entire universe of investment managers, including specialized research on the high-performing, small investment manager.

Significant changes or developments at the firm in the past year are the installation of a second generation computer system and interoffice network.

Of the 21 clients on retainer, 17 are corporate and four are endowments and trusts.

There are nine professional consultants. Fees are payable in hard dollars.

Clients include FMC, Safeway Stores, Sunkist Growers and Xerox.

Budge Collins, president, is client contact.

Colonial Consulting Corp.

610 Fifth Ave., Suite 420, New York, N.Y. 10020; (212) 307-1830

Colonial Consulting Corp. provides development of investment policies, objectives and asset allocation; U.S. and foreign manager evaluation and selection; and U.S. and foreign performance measurement and analysis.

The firm provides the following to the investment management industry: CCX Investment Manager Database, Endowment and Foundation Database/Index and Performance Snapshot.

Significant changes or developments at the firm in the past year include the development of the CCX Manager Database.

Of the 14 clients on retainer, two are corporate and 12 are endowments and foundations.

There are three professional consultants. Fees are payable in hard and soft dollars.

Clients include Dominion Resources, AUB, YMCA and the Carnegie Endowment Fund.

John K. Goodrich, president, is client contact.

Consulting Services Group

Suite 900, The Financial Center, Birmingham, Ala. 35203; (205) 250-5615

Consulting Services Group, a subsidiary of the Robinson-Humphrey Co., provides development of investment policies, objectives and asset allocation; U.S. manager evaluation and selection; and U.S. performance measurement and analysis.

The firm also offers specialized monthly reporting to reflect calendar and fiscal year performance.

The firm provides master trustee and custodial services and record keeping to the investment management industry.

The firm has special expertise in assisting the qualified plan market in the $5 million to $50 million range.

Significant changes or developments at the firm in the past year are the installation of a computer system utilizing UNIX.

There are 200 corporate retainer clients. In the past year, the company has served 50 corporate non-retainer clients.

There are four professional consultants. Fees are payable in hard and soft dollars.

John G. Brock, senior vice president, is the client contact.

d

Dahab Associates Inc.

52 Nassau Ave., Islip, N.Y. 11751; (516) 277-8301

Dahab Associates Inc. provides development of investment policies, objectives and asset allocation; U.S. manager evaluation and selection; and U.S. performance measurement and analysis.

The firm has special expertise in custom computer software development for modeling and report generation.

Of the 28 clients on retainer, eight are corporate, seven are public, seven are union and six are endowments.

There are two professional consultants. Fees are payable in hard and soft dollars.

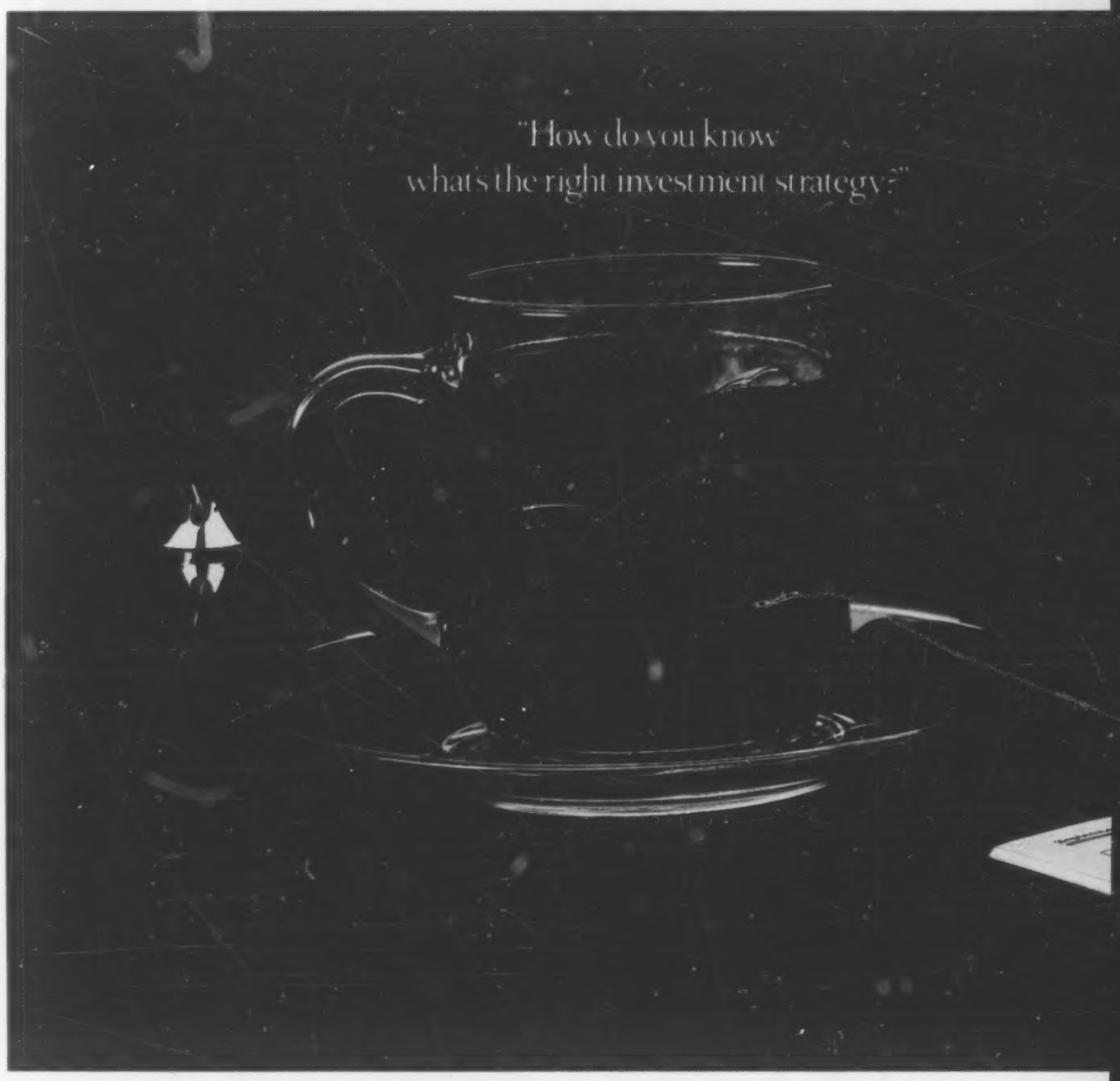
Clients include Pennsylvania Municipal, Sonat, Guideposts Associates and City of Norfolk.

Richard E. Dahab, president, is client contact.

Davies Investment Associates Inc.

P.O. Drawer 56246, Atlanta, Ga. 30343; (404) 525-7541

Davies Investment Associates Inc.



At Ætna, we have always maintained an unwavering commitment to the institutional investor: we never forget it's your money, not ours.

That's what makes us take extra care to match your investment performance to your risk tolerance. Even if that means our analysts have to dig deeply to identify the risks involved in alternative investment scenarios. And take the time to communicate these risks clearly and thoroughly to you.

Ætna Investment Management Group (Hartford)
Ætna Bond Investors | Ætna Realty Investors, Inc. | Ætna Equity Investors | Ætna Financial Services, Inc. | Ætna Capital Management, Inc. | Federated Investors, Inc. (Pittsburgh)

provides development of investment policies, objectives and asset allocation; U.S. and foreign manager evaluation and selection; and U.S. and foreign performance measurement and analysis.

The firm is fully qualified in both assets (C.F.A.) and liabilities (actuary).

Of the 10 clients on retainer, five are corporate and five are public. The firm also provided services to 15 non-retainer clients during the past year, of which seven were corporate, seven were public and one was union.

There is one professional consultant. Fees are payable in hard and soft dollars.

Clients include Browning-Ferris Industries, City of Sioux Falls and City of Wichita.

James J. Davies is the client contact.

DeMarche Associates

P.O. Box 7027, Kansas City, Mo. 64113; (913) 384-4994

DeMarche Associates provides development of investment policies, objectives and asset allocation; U.S. and foreign manager evaluation and selection; and U.S. and foreign performance measurement and analysis.

The firm provides the following to the investment management industry: performance monitoring and industry/sector valuation models.

It has special expertise in customized, proprietary research.

Of the 129 clients on retainer, 63 are corporate, 24 are public, seven are union and 35 are foundations and endowments. The firm also provided services to 25 non-retainer clients during the past year, of which 20 were corporate and five were public.

There are 17 professional consultants. Fees are payable in hard and soft dollars.

Clients include Inland Steel, Baxter Healthcare, Control Data and Levi Strauss.

Steven D. Farrell, vice president, is client contact.

Pensions & Investment Age's book of lists: Dec. 26.

Dorn & Helliesen Inc.

300 Tamal Plaza, Suite 270, Corte Madera, Calif. 94925; (415) 924-1200

Dorn & Helliesen Inc. provides development of investment policies, objectives and asset allocation; U.S. and foreign manager evaluation and selection; and U.S. performance measurement and analysis.

The firm has special expertise in policy and guidelines, asset allocation, manager structure analysis and manager evaluation and selection.

Of the 12 clients on retainer, seven are corporate, four are public and one is union. The firm also provided services to four corporate non-retainer clients during the past year.

Fees are payable in hard dollars.

Clients include Albertson's, Contra Costa County, Ventura County and Simplot.

Robert Helliesen, principal, is client contact.

e

EEI-Effron Enterprises Inc.

363 Westchester Ave., Port Chester, N.Y. 10573; (914) 939-0200

EEI-Effron Enterprises Inc. provides U.S. and foreign performance measurement and analysis, and portfolio accounting.

The firm also offers a transaction accounting and reporting software system.

It provides data collection, analysis, computer software and related services associated with performance measurement and portfolio accounting to the investment management industry.

The firm has special expertise in performance measurement and portfolio accounting.

Significant developments at the firm during the past year include the development of PC-based products and an international performance measurement product.

There are four professional consultants. Fees are payable in hard and soft dollars.

The client contact is Stephen J. Klein.

J.H. Ellwood & Associates

175 W. Jackson Blvd., Chicago, Ill. 60604; (312) 987-9008

J.H. Ellwood & Associates Inc. provides development of investment policies, objectives and asset allocation; U.S. and foreign manager evaluation and selection; and U.S. and foreign performance measurement and analysis.

The firm also offers special studies; convertible searches; insurance contract negotiation, search and evaluation; real estate manager evaluation and selection; master trust/custodial evaluation and selection; third-party record-keeper/administrator evaluation and selection; 401(k) plan design; monitoring of legal and plan accounting issues; and defining actuarial policy and funding objectives.

The firm has special expertise in the integration of policy issues in the areas of investment administration, actuarial practice and investments to achieve a coherent, effective and cost-efficient investment program.

There are 46 institutional retainer clients.

There are six professional consultants. Fees are payable in hard dollars.

Clients include Brown Group, Lutheran Church-Missouri Synod, St. Louis County and Noble Foundation.

John H. Ellwood, president, is client contact.

Ennis, Knupp & Associates

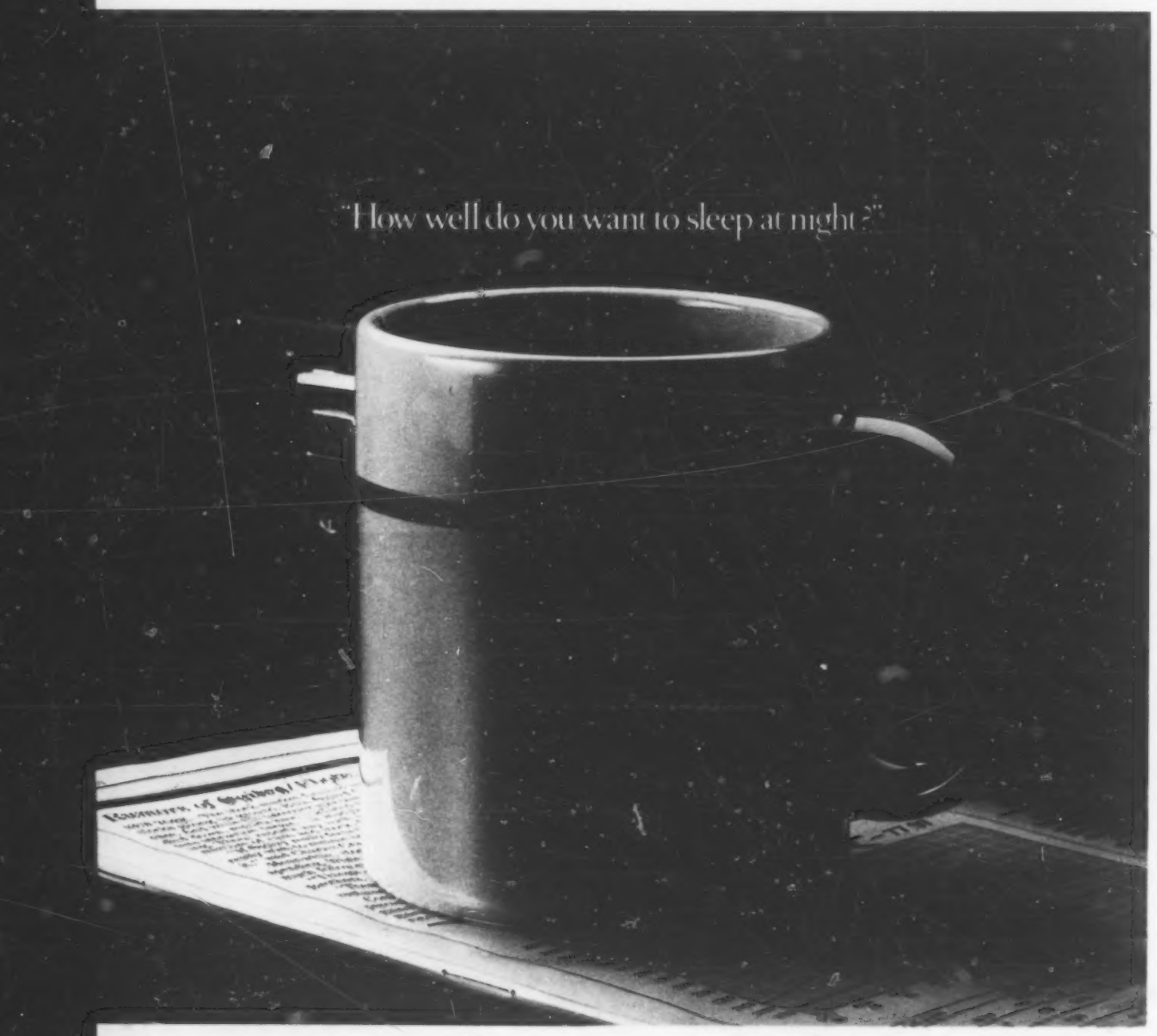
11 S. LaSalle St., Suite 1440, Chicago, Ill. 60603; (312) 263-4300

Ennis Knupp & Associates provides development of investment policies, objectives and asset allocation; U.S. and foreign manager evaluation and selection; and U.S. and foreign performance measurement and analysis.

The firm also offers real estate manager evaluation and selection, real estate investment performance measurement and analysis, optimal manager structures, contract analysis, asset and liability analysis and topical research.

The firm has special expertise in investment policy analysis, asset allocation optimization and manager structure and analysis.

Pensions & Investment Age will highlight public funds in the Nov. 28 issue.



But our digging isn't limited to risk. We also like to uncover the unusual opportunity for our clients. Recently, for example, we re-staged one client's guarantee base, locking in gains already accrued. Even before the contract period was over. In fact, we re-staged it four times.

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A significant development at the firm in the past year has been the development of on-line integration of policy analysis, manager structure and performance evaluation.

Of the 30 clients on retainer, 11 are corporate, four are public, three are union and 12 are in other institutional categories, including foundations, endowments and non-profit organizations. The firm also provided services to 16 non-retainer clients during the past year, of which two were corporate, three were public, two were union and nine were in other institutional categories.

There are 13 professional consultants. Fees are payable in hard and soft dollars.

Clients include Georgia-Pacific, Chicago Police, MacArthur Foundation, Central Pension Fund of the I.U.O.E.

James F. Knupp, principal, is client contact.

Equitable Securities Investment Management Evaluation

First American Center, Nashville, Tenn. 37219; (615) 244-9420

Equitable Securities Investment Management Evaluation, a subsidiary of Equitable Securities Corp., provides development of investment policies, objectives and appropriate asset allocation; U.S. and foreign manager evaluation and selection; and U.S. performance measurement and analysis.

The firm has special expertise in independent performance monitoring, relative return analysis, and manager recommendation of accounts less than $50 million.

Of the 16 clients on retainer, 15 are corporate and one is public. The firm also provided services to 10 corporate non-retainer clients during the past year.

There are three professional consultants. Fees are payable in hard and soft dollars.

Clients include Tennessee Bone and Joint Clinic, Metro Nashville Public Employees and the Longleat Fund.

Ward Cammack is the client contact.

Evaluation Associates Inc.

200 Connecticut Ave., Norwalk, Conn. 06854; (203) 855-2200

Evaluation Associates Inc., a subsidiary of MONY Financial Services Inc., provides development of investment policies, objectives and asset allocation; U.S. and foreign manager evaluation and selection; and U.S. and foreign performance measurement and analysis.

The firm also offers a series of publications profiling investment managers.

It also provides publications on managers to the investment management industry.

The firm has special expertise in money manager research and in qualitative investment consulting.

Significant changes or developments at the firm in the past year are the appointment of Phil Maisano as president May 1.

Of the 51 clients on retainer, 29 are corporate, seven are public, two are union and 13 are endowments and foundations. The firm also provided services to 11 non-retainer clients during the past year, of which five were corporate, one was union and five were endowments and foundations.

There are eight professional consultants. Fees are payable in hard and soft dollars.

The firm offers several investment vehicles: 13 multiple manager mutual funds marketed to smaller, regional banks and insurance companies; and eight small manager/development funds (multiple manager) offered to institutional investors.

Clients include American Stores, City of Baltimore, Colgate Palmolive and Pennsylvania Public Schools.

Robert B. Mayerick, vice president, is the client contact.

Pensions & Investment Age's 15th anniversary issue: Oct. 31.

f

Fiduciary Services

6 Landmark Square, Stamford, Conn. 06901; (203) 322-0010

Fiduciary Services, a subsidiary of Fiduciary Services Inc., provides development of investment policies, objectives and asset allocation; U.S. and foreign manager evaluation and selection; and U.S. and foreign performance measurement and analysis.

The firm has special expertise in measuring the investment performance of domestic, international and global investment portfolios.

The firm provided services to three non-retainer clients during the past year.

The firm employs two professional consultants. Fees are payable in hard and soft dollars.

Christine Rock, president, is client contact.

Financial Control Systems

200 Chadds Ford Professional Center, Chadds Ford, Pa. 19380; (215)436-6563

Financial Control Systems Inc. provides financial accounting control and investment performance monitoring; pension fund/custodial bank auditing; commission and execution analysis; flexible reporting; and financial control systems.

The firm provides financial control, accounting, performance monitoring and auditing systems to the investment management industry.

The firm has special expertise in financial control, accounting, performance monitoring and auditing systems.

The firm provides services to 16 corporate, five public and one Taft-Hartley retainer clients. The firm also provided services to one public non-retainer client during the past year.

There are five professional consultants. Fees are payable in hard and soft dollars.

Clients include Amoco, Campbell Soup, State of Minnesota and Chicago Transit Authority.

Craig E. Heatter, senior vice president, is client contact.

First Financial Evaluation Services

9200 Shelbyville Road, Suite 723, Louisville, Ky. 40222; (502) 425-8011

First Financial Evaluation Services provides development of investment policies, objectives and asset allocation; U.S. and foreign manager evaluation and selection; and U.S. and foreign performance measurement and analysis.

The firm provides specialty performance charts to the investment management industry.

It has special expertise in performance evaluation and monitoring and manager searches.

Of the 14 clients on retainer, 13 are corporate and one is union.

There are three professional consultants. Fees are payable in hard and soft dollars.

E.G. Lehman Jr., president, is client contact.

Gifford Fong Associates

1600 Riviera Ave., Suite 285, Walnut Creek, Calif. 94596; (415) 932-1910

Gifford Fong Associates, a subsidiary of Prudential Insurance Co., provides development of investment policies, objectives and asset allocation; and U.S. performance measurement and analysis.

The firm provides consulting services and proprietary investment analytical tools to managers of large pools fixed-income and equity assets.

It has special expertise in asset allocation fixed income, (sensitivity analy-

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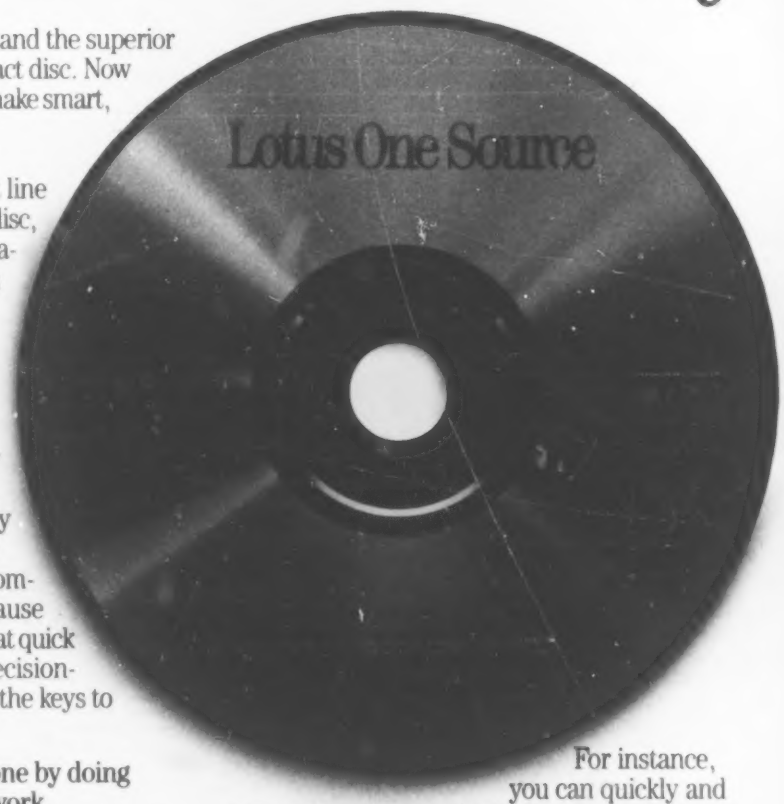

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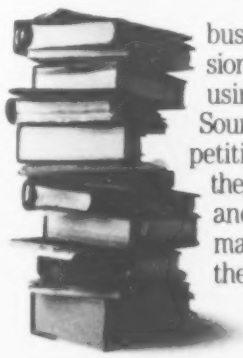

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sis, immunization, indexation, bond valuation and performance attribution) and equity (portfolio optimization, risk profile and performance attribution).

Significant developments in the past year include the enhancement of a contingent claims model for fixed-income securities.

Fees are payable in hard and soft dollars.

Tom Nichols is client contact.

Fund Evaluation Group Inc.

414 Walnut St., Suite 812, Cincinnati, Ohio 45202; (513) 977-4400

Fund Evaluation Group Inc. provides development of investment policies, objectives and asset allocation; U.S. and foreign manager evaluation and selection; and U.S. and foreign investment performance measurement and analysis.

The firm has special expertise in the area of risk evaluation of balanced, fixed-income and equity portfolios, and in working with non-profit institutions and insurance companies.

Of the 45 clients on retainer, 33 are corporate, eight are public and four are union. The firm also provided services to one corporate non-retainer client during the past year.

There are five professional consultants. Fees are payable in hard and soft dollars.

Clients include Indiana University Foundation, Michigan State University Foundation and State of Michigan Legislative Retirement System.

H. Bradley Eden, president, and Frederick J. Diamond, chief executive officer, are the client contacts.

g

Garmaise & Associates Ltd.

Royal Bank Plaza, North Tower, Suite 1560, P.O. Box 144, Toronto, Ontario M5J 2J3; (416) 364-0351

Garmaise & Associates Ltd. provides Canadian and foreign performance measurement and analysis.

The firm offers Canadian index and GIC funds and unitholder record-keeping software.

Of the 50 clients on retainer, 45 are corporate and five are public. The firm also provided services to 10 corporate non-retainer clients during the past year.

Fees are payable in hard and soft dollars.

Gordon Garmaise is client contact.

h

Hamilton & Co. Inc.

101 Carnegie Center, Princeton, N.J. 08540; (609) 452-0300

Hamilton & Co. Inc. provides development of investment policies, objectives and asset allocation; U.S. and foreign manager evaluation and selection; and U.S. and foreign performance measurement and analysis.

The firm also offers Sharpshooter, an audit and reconciliation service that audits all activities that occur in the custodial and investment management area.

The firm has special expertise in value-added investment consulting in all aspects of the investment process.

Significant developments at the firm in the past year include the opening of an Atlanta office.

Of the 50 clients on retainer, 30 are corporate, eight are public and 12 are union.

There are 10 professional consultants. Fees are payable in hard and soft dollars.

Clients include the American Automobile Association, TECO Energy and Pan Am.

Susan C. Lohuis, vice president, is client contact.

Hammond and Hammond

350-106th Ave. N.E., Bellevue, Wash. 98004; (206) 451-2600

Hammond and Hammond, a subsidiary of Dean Witter Reynolds Inc., provides development of investment policies and objectives; U.S. manager evaluation and selection; and U.S. performance measurement and analysis.

The firm provides manager evaluation searches and investment management research to the investment management industry.

The firm has special expertise in manager evaluation.

There are 45 corporate retainer clients.

There are three professional consultants. Fees are payable in hard and soft dollars.

Craig Hammond, vice president-investments, is client contact.

Harrell, Cooper & Associates

12377 Merit Drive, Dallas, Texas 75251; (214) 934-7811

Harrell, Cooper & Associates Inc. provides development of investment policies, objectives and asset allocation; U.S. and foreign manager evaluation and selection; and U.S. and foreign performance measurement and analysis.

The firm also offers FASB 87 analysis and funding policy.

The firm has special expertise in asset allocation and equity manager selection.

The firm began business in August.

There are three professional consultants. Fees are payable in hard dollars.

Guy M. Cooper, president, is client contact.

B. Hauptman & Associates

58 E. Burlington, Fairfield, Iowa 52556; (515) 472-8581

B. Hauptman & Associates Inc. provides development of investment policies, objectives and asset allocation; U.S. and foreign manager evaluation and selection; and U.S. performance measurement.

The firm has special expertise in hedge funds and alternate fixed-income vehicles.

Significant developments at the firm in the past year are the completion of in-depth research on hedge funds and private investment partnerships.

Of the 75 clients on retainer, 12 are corporate, 60 are public and three are union.

There are three professional consultants. Fees are payable in hard and soft dollars.

The firm offers the GAIN Investment Manager Program, which allows investors with small amounts to invest access to managers with high minimum account requirements.

Bruce Hauptman is client contact.

Hewitt Associates

100 Half Day Road, Lincolnshire, Ill. 60015; (312) 295-5000

Hewitt Associates provides development of investment policies, objectives and asset allocation; U.S. and foreign manager evaluation and selection; and U.S. and foreign performance measurement and analysis.

The firm also offers real estate and venture capital investment consulting, asset/liability modeling and insurance contract analysis and selection.

The firm has special expertise in the above, as well as in the integration of pension assets and liabilities.

Significant changes or developments at the firm in the past year include a complete revision and updating of its performance evaluation system.

Of the 50 clients on retainer, 40 are corporate, one is public, two are union and seven are in other institutional categories. The firm also provided services to 50 non-retainer clients during the past year, of which 40 were corporate and 10 were in other institutional categories.

There are 12 professional consultants. Fees are payable in hard and soft dollars.

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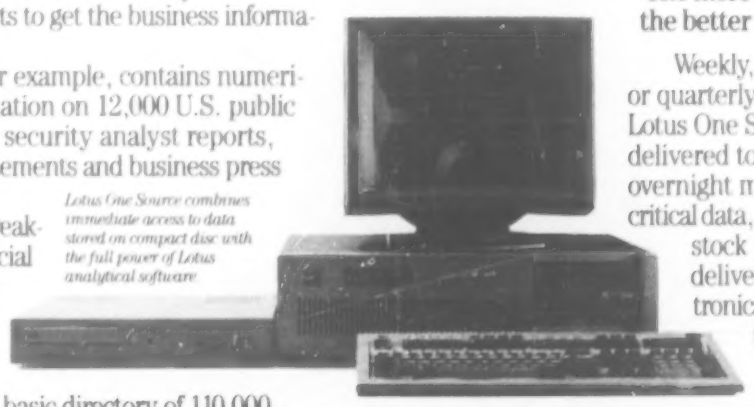

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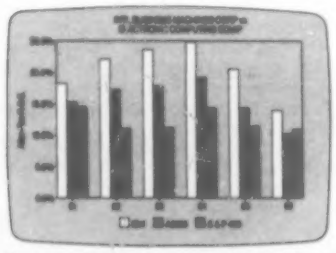

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AHA Investment Funds, a multiportfolio mutual fund designed for member hospitals of the American Hospital Association.

Clients include AMP, Adolph Coors, Southland and Upjohn.

Ronald Jones, partner, is the client contact.

Holbein Associates

17636 Windflower, Suite 100, Dallas, Texas 75252; (214) 380-9246

Holbein Associates Inc. provides development of investment policies, objectives and asset allocation; U.S. and foreign manager evaluation and selection; and U.S. and foreign performance measurement and analysis.

The firm also offers multiple manager fit analysis, pro forma pension plan liability and funded status analysis and pro forma FASB 87 analysis.

The firm has special expertise in pension asset/liability projection and manager selection, including multiple manager diversification and fit analysis.

There is one professional consultant. Fees are payable in hard and soft dollars.

Clients include Club Corporation of America, Teacher Retirement System of Texas, Texas County and District Retirement System and Tracor.

Richard Holbein, president, is client contact.

Hopewell Rembert Advisors

7647 Leesburg Pike, Falls Church, Va. 22043; (703) 821-6655

Hopewell Rembert Advisors Inc. provides development of investment policies, objectives and asset allocation; U.S. manager evaluation and selection; and U.S. performance measurement and analysis.

The firm has special expertise in in working with institutions with less than $20 million.

There are 20 corporate clients on retainer.

There are two professional consultants. Fees are payable in hard and soft dollars.

Clients include Hoven Corp., Lube Inc. and C.P. Brown.

H.L. Hopewell is the client contact.

K.H. Hueler Inc.

7460 Market Place Drive, Minneapolis, Minn. 55344; (612) 941-5351

K.H. Hueler Inc. provides development of guaranteed investment contract investment policies and objectives and GIC manager evaluation and selection.

The firm provides three levels of service: contract placement; alternative product evaluation; and GIC manager search and selection services.

Significant developments at the firm in the past year include a quarterly seminar addressing changes in the GIC market. The firm also developed a system for evaluating pooled GIC funds.

There is one corporate retainer client. The firm also provided services to nine corporate non-retainer clients during the past year.

There are two professional consultants. Fees are payable in hard and soft dollars.

Clients include Super Valu Stores.

Carol Lenhart, manager-treasury operations, is client contact.

INDATA

High Ridge Park, Building 5, Stamford, Conn. 06905; (203) 329-6100

INDATA, a service of Gordon, Haskett & Co., provides U.S. and foreign investment performance measurement and analysis.

The firm offers IMS Investment Management System, a comprehensive portfolio management, performance measurement and security analysis system for microcomputer and local area networks, to the investment management industry.

The firm has special expertise in weekly comparative performance measurement, attribution analysis and evaluation.

Significant changes or developments at the firm in the past year include the addition of monitoring of international and fixed-income portfolios in both U.S. and local currencies.

Of the 650 clients on retainer, 34 are corporate, 18 are public, two are union and 596 are money managers.

There is one professional consultant. Fees are payable in hard and soft dollars.

Steven N. Johnson, director of marketing, is the client contact.

Institutional Fund Consultants Inc.

2423 American Lane, Madison, Wis. 53704; (608) 244-3541

Institutional Fund Consultants Inc. provides development of investment policies, objectives and asset allocation; U.S. and foreign manager evaluation and selection; and U.S. and foreign performance measurement and analysis.

The firm also offers master trust/custodian bank evaluation and selection, defined contribution plan investment consulting and retainer consulting.

The firm provides performance measurement to the investment management industry.

Of the 21 clients on retainer, 20 are corporate and one is union. The firm also provided services to 16 corporate non-retainer clients during the past year.

There are two professional consultants. Fees are payable in hard and soft dollars.

Gordon L. King, president, and Kathleen A. Crowley, vice president, are client contacts.

Institutional Property Consultants Inc.

7 Piedmont Center, Suite 715, Atlanta, Ga. 30305; (404) 261-8049

Institutional Property Consultants Inc. provides development of investment policies, objectives and asset allocation; U.S. manager evaluation and selection; and U.S. performance measurement and analysis.

The firm provides the COMPARE Performance Reporting System to the investment management industry.

Its special expertise is in its detailed data base and that all its consultants are real estate professionals.

Significant changes or developments at the firm in the past year include the addition of two consultants.

Of the 30 clients on retainer, 11 are corporate and 19 are public.

There are six professional consultants. Fees are payable in hard dollars.

Clients include Cargill, The Common Fund, California State Teachers and New York State Teachers.

Principals, Paul H. Saylor in Atlanta and Barbara R. Cambon in San Diego at (619) 458-1120, are client contacts.

InterSec Research Corp.

48 Signal Road, Stamford, Conn. 06902; (203) 348-7101

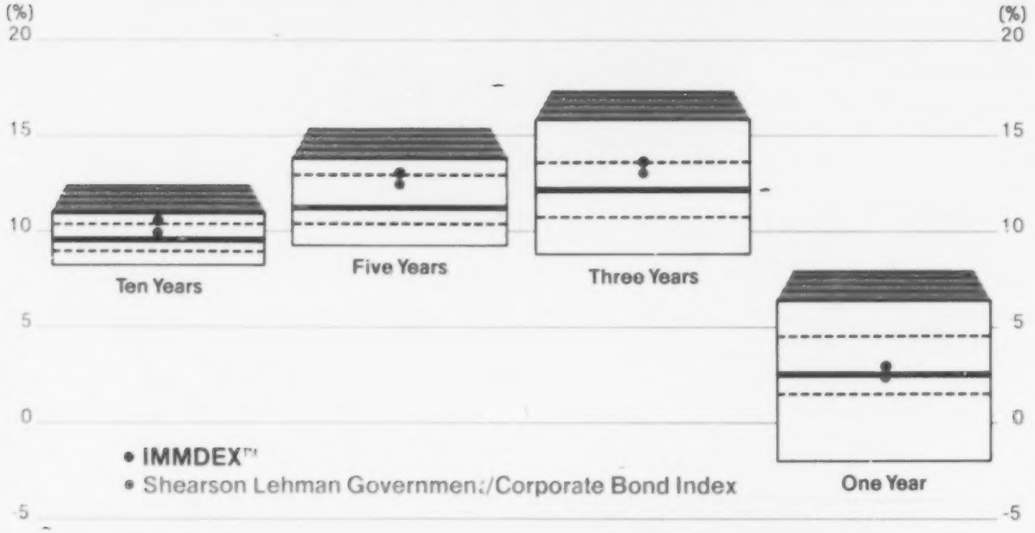
InterSec Research Corp. provides development of investment policies, objectives and asset allocation; foreign manager evaluation and selection; and foreign performance measurement and analysis.

The firm also offers foreign pension fund analysis.

The firm offers the following to the investment management industry: multinational portfolio performance measurement and analysis; strategic planning; multicurrency portfolio accounting software systems; and global pension asset studies and data bases.

The firm has special expertise in all aspects of the transnationalization of investment assets, manager selec-

Bond Indexation with the IMMDEX™ advantage.



Bond fund total rates of return for periods ended December 31, 1987. Source SEI.

The Shearson Lehman Government/Corporate Bond Index has provided superior performance when compared to active fixed income managers. The Index has consistently provided first or strong second quartile returns over most time periods.

Immdex is a unique bond management system in which the annual return will match or exceed the index rate of return. On the basis of actual experience, IMMDEX has added an average of 65 basis points of excess annual return to the Shearson Lehman Government/ Corporate Bond Index.

Immdex accomplishes this objective through two strategies:

- **The index rate of return is achieved through a proprietary duration-matching strategy.**
- **Immdex capitalizes on market opportunities to further enhance total return.**

First Wisconsin Trust Company is a leader in the area of quantitative fixed income management and we believe that the Immdex advantage will prove to be an attractive alternative to your current bond management approach.

Let us review how Immdex provides positive tracking to the Shearson Lehman Government/ Corporate Bond Index and enhanced market returns through the use of bond management techniques. Call Robert Aubrecht at (414) 765-4906 or Charles Groeschell at (414) 765-4789 or write First Wisconsin Trust Company, First Wisconsin Center, Box 2054, Milwaukee, Wisconsin 53201.

FIRST WISCONSIN TRUST COMPANY

tion, research and evaluation.

Significant developments at the firm in the past year include the expansion of its London and Tokyo offices, and the introduction of an Australian pension performance measurement service and universe.

Of the 28 clients on retainer, 23 are corporate and five are public. The firm provided services to 12 non-retainer clients during the past year, of which 10 were corporate and two were public.

There are 18 professional consultants. Fees are payable in hard and soft dollars.

Clients include Arizona Public Service, H.J. Heinz, Owens Illinois and Air Canada.

Christopher A. Nowakowski, president, is client contact.

The Investment Guild

255 Yorkland Blvd., Suite 201, Willowdale, Ontario M2J 1S3; (416) 499-4933

The Investment Guild provides development of investment policies, objectives and asset allocation.

The firm has special expertise in pension planning.

Of the five clients on retainer, three are corporate, one is public and one is union. The firm also provided services to 10 corporate non-retainer clients during the past year.

There are four professional consultants. Fees are payable in hard dollars.

Mike Thomas, vice president, is client contact.

Investment Management Inc.

2700 E. 51st St., Suite 340, Tulsa, Okla. 74105; (918) 742-3031

Investment Management Inc., a subsidiary of Rubottom Dudash & Associates Inc., provides development of investment policies, objectives and asset allocation and U.S. manager evaluation and selection.

The firm also provides portfolio management and investment research, as well as ESOP evaluations.

There are 20 corporate clients on retainer. The firm also provided services to 11 corporate non-retainer clients during the past year.

There are two professional consultants. Fees are payable in hard dollars.

Donald J. Rubottom, president, is client contact.

Investment Management Consulting Group

1 S.W. Columbia, Suite 1400, Portland, Ore. 97258; (503) 241-7558

Investment Management Consulting Group, a subsidiary of Dain Bosworth, provides development of investment policies, objectives and asset allocation; U.S. and foreign manager evaluation and selection; U.S. and foreign performance measurement; and U.S. performance analysis.

The firm has special expertise using a style-associated data base and provides tactical asset allocation.

In late 1987, the firm became affiliated with Performance Analytics and now uses its data base for all search and evaluation activities.

Of the 60 clients on retainer, 58 are corporate and two are union. The firm also provided services to six corporate non-retainer clients during the past year.

There are three professional consultants. Fees are payable in hard and soft dollars.

Clients include Cascade Utilities, Ochoco Lumber and the Oregon District Foundry.

Tony Americh is client contact.

Investment Management Controls

River Park-1 West, 800 Connecticut Ave., Norwalk, Conn. 06854; (203) 852-9358

Investment Management Controls, a subsidiary of Janney Montgomery Scott Inc., provides development of investment policies, objectives and asset allocation; U.S. and foreign manager evaluation and selection; and U.S. and foreign performance measurement and analysis.

Significant changes or developments at the firm in the past year include the establishment of a Dallas office.

Of the 28 clients on retainer, 21 are corporate, two are public and five are endowments.

There are seven professional consultants. Fees are payable in hard and soft dollars.

Clients include Martin Marietta, BOC Group, Foxboro and the City of Fort Worth.

Lillian C. Jones, director of marketing and client relations, is client contact.

Iona Investment Corp.

475 Selby Lane, Atherton, Calif. 94025; (415) 322-8312

Iona Investment Co. provides common stock selection and tactical asset allocation to the investment management industry.

The firm has special expertise in quantitative methods.

The firm, which is new, has two professional consultants. Fees are payable in hard dollars.

George A. Butler, president, is client contact.

j

J&L Investment Services

28570 Marguerite Parkway, Suite 201, Mission Viejo, Calif. 92692; (714) 364-5000

J&L Investment Services Inc. provides development of investment policies, objectives and asset allocation; U.S. and foreign manager evaluation and selection; and U.S. and foreign performance measurement and analysis.

The firm also offers cost-contained 401(k) packages.

It provides economic and market research and market-timing services to the investment management industry.

The firm has special expertise in investment manager selection and 401(k) programs.

Significant developments in the past year include the hiring of two consultants.

Of the 15 clients on retainer, 14 are corporate and one is public. The firm provided services to 30 corporate non-retainer clients during the past year.

There are four professional consultants. Fees are payable in hard and soft dollars.

Clients include GTI, Pomona First Federal Savings & Loan, Healthwest Foundation and Adams Rite.

Thomas C. Jones, president, is client contact.

k

Ronald A. Karp Associates

47 Maple St., Summit, N.J. 07901; (201) 522-1414

Ronald A. Karp Associates Inc. provides development of investment policies, objectives and asset allocation; U.S. and foreign manager evaluation and selection; and U.S. performance measurement and analysis.

The firm has special expertise in real estate, asset allocation, international investments and insurance contract negotiations.

Significant changes at the firm in the past year are the development of a computerized real estate data base and a sophisticated real estate fee model.

Of the 12 clients on retainer, seven are corporate, four are public and one is union. The firm also provided ser-

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vices to 10 non-retainer clients during the past year, of which seven were corporate and three were public.

There are three professional consultants. Fees are payable in hard and soft dollars.

Clients include Pennsylvania State Employees, Los Angeles Fire and Police, Saatchi & Saatchi Holdings and Ohio School Employees.

Ronald A. Karp, president, is client contact.

Kauffman & Drebing

230 S. Broad St., Philadelphia, Pa. 19102; (215) 546-8016

Kauffman & Drebing provides development of investment policies, objectives and asset allocation; U.S. manager evaluation and selection; and U.S. performance measurement and analysis.

There are two professional consultants. Fees are payable in hard dollars.

Neil B. Kauffman is client contact.

W.T. Kennedy Inc.

300 W. Peachtree St., Suite 10G, Atlanta, Ga. 30308; (404) 523-8500

W.T. Kennedy Inc. provides development of investment policies, objectives and asset allocation; U.S. manager evaluation and selection; and U.S. and foreign performance measurement and analysis.

The firm also offers staff educational training and manager selection presentations directly to the client board of trustees.

Through the INDATA universe, the firm offers risk/reward analysis and rankings, and customized universes of performance comparison for peer group risk/reward quartiles to the investment management industry.

The firm has special expertise in manager selection, monitoring, performance analysis and attribution analysis.

Of the 17 clients on retainer, 12 are corporate, three are public and two are union. The firm also provided services to 26 non-retainer clients during the past year, of which 18 were corporate, six were public and two were union.

There is one professional consultant. Fees are payable in hard and soft dollars.

William T. Kennedy, president, is client contact.

Kidder Peabody's PRIME Consulting Group

20 Exchange Place, New York, N.Y. 10005; (212) 510-5089

Kidder Peabody's PRIME Consulting Group, a subsidiary of Kidder Peabody, provides development of investment policies, objectives and asset allocation; U.S. manager evaluation and selection; and U.S. performance measurement and analysis.

The firm has expertise in asset allocation and policy determination.

Of the 125 clients on retainer, 100 are corporate, 20 are public and five are union. The firm also provided services to 200 non-retainer clients during the past year, of which 180 were corporate and 20 were public.

There are six professional consultants. Fees are payable in hard and soft dollars.

Natalka Bukalo is the client contact.

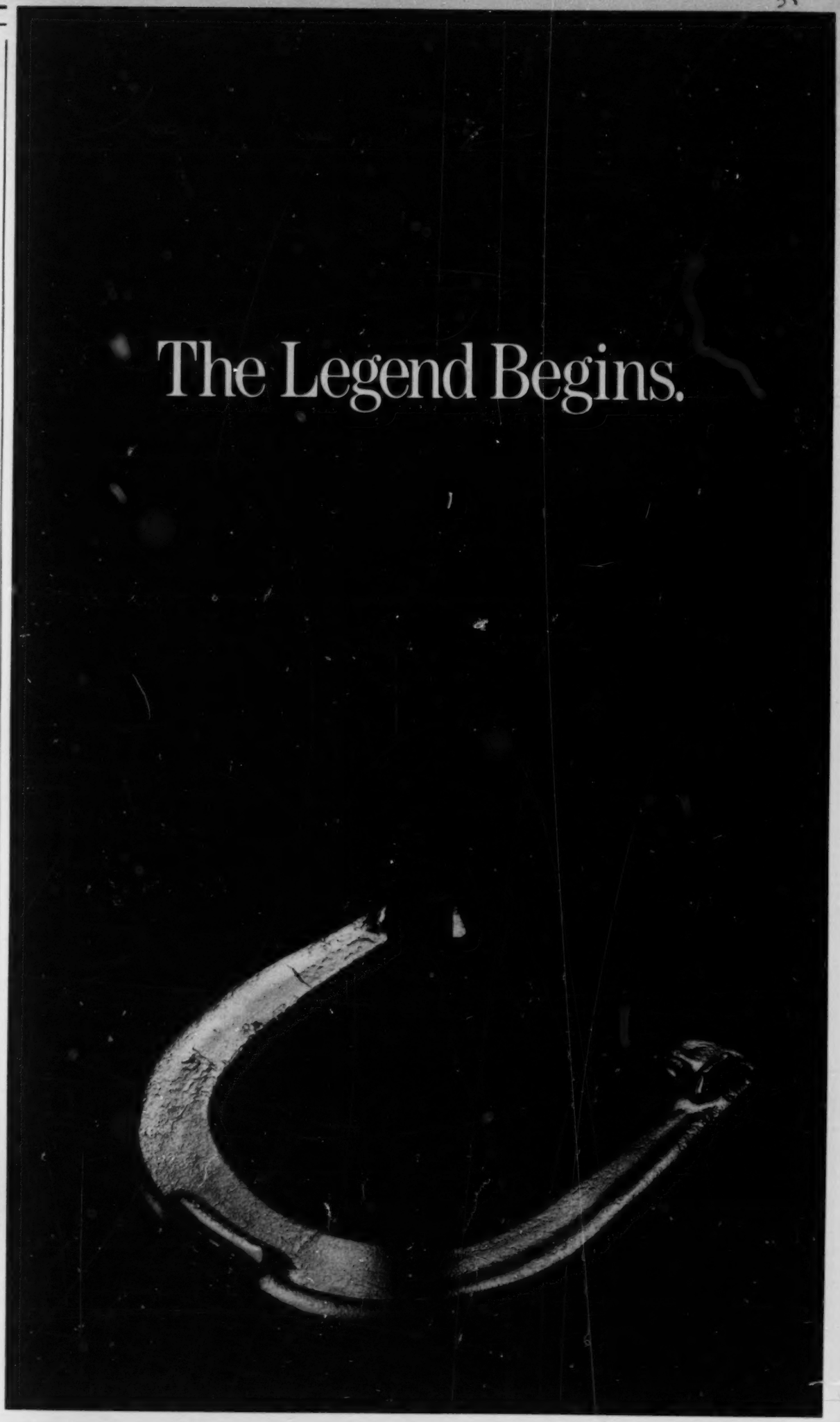
I

Laventhol & Horwath

1845 Walnut St., Philadelphia, Pa. 19103; (215) 299-1700

Laventhol & Horwath provides development of investment policies, objectives and asset allocation; U.S. manager evaluation and selection; and U.S. performance measurement and

Pensions & Investment Age's book of lists: Dec. 26.



analysis.

The firm also offers real estate portfolio analysis, real estate acquisition/disposition due diligence, construction consulting and appraisals.

The firm provides the following to the investment management industry: acquisitions/dispositions due diligence, appraisals, construction consulting, and tax and accounting assistance.

The firm has special expertise in real estate investment consulting.

Of the six clients on retainer, two are corporate, two are public and two are union. The firm also provided services to five non-retainer clients during the past year, of which one was corporate, three were public and one was union.

Fees are payable in hard dollars.

Clients include Allied-Signal, Minnesota State Board; Joint Industry Board of the Electrical Industry and the Development Foundation of Southern California.

J. Richard Rosenberg, director of real estate pension advisory services, is client contact.

Lehrer Development and Investments

555 Del Monte Drive, Suite 802, Houston, Texas 77056-4105; (713) 552-1442

Lehrer Development and Investments provides development of investment policies, objectives and asset allocation; U.S. manager evaluation and selection; and U.S. performance measurement and analysis.

The firm also offers real estate financial analysis, due diligence reports, institutional documentations, market and feasibility analysis, and corporate finance and real estate business plans.

The firm provides real estate, banking, finance and urban economic reports, studies and analysis projects to the investment management industry.

The firm has special expertise in urban economics and banking and finance.

The firm has four corporate retainer clients. The firm provided services to 15 non-retainer clients during the past year, of which 11 were corporate and four were public.

There are two professional consultants. Fees are payable in hard dollars.

Clients include Curtis International, Federal Home Loan Bank, Kaplan Management and Mortgage Government Securities.

Kenneth Eugene Lehrer, managing partner, is client contact.

Lewis Bailey Associates Inc.

1 Financial Center, Boston, Mass. 02111; (617) 439-3232

Lewis Bailey Associates Inc. provides development of investment policies, objectives and asset allocation; U.S. and foreign manager evaluation and selection; and U.S. and foreign performance measurement and analysis.

The firm provides extensive investment and financial planning research reports.

It has special expertise in financial and investment planning for corporate pension plans and large family groups, and provides extensive coverage of non-traditional assets.

There are 20 corporate retainer clients.

The firm is affiliated with Cambridge Associates, which handles non-profit organizations.

There are 20 professional consultants. Fees are payable in hard and soft dollars.

Clients include Blue Cross of Florida, Hewlett-Packard, 3M and World Bank.

David B. Thurston is client contact.

Lipper Consulting Services

69 New England Ave., Summit, N.J. 07726; (201) 273-4488

Lipper Consulting Services provides development of investment policies, objectives and asset allocation; U.S. and foreign manager evaluation and selection; and U.S. and foreign performance measurement and analysis.

The firm also offers mutual funds and closed-end investment companies selection and strategy formulation.

The firm publishes 10 reports for the investment management industry on fund performance, portfolio characteristics, fund fee and expense analysis, the brokerage industry and convertible securities.

The firm has special expertise in mutual funds and closed-end investment companies. An affiliate tracks the performance of more than 4,000 domestic and international investment companies, evaluates their portfolios and analyzes related data.

There are five retainer clients. Services also were provided to 10 non-retainer clients during the past year.

There are three professional consultants. Fees are payable in hard and soft dollars.

Lipper Advisory Services Inc., an affiliate, is a registered investment adviser providing investment management services to pension funds, endowments and foundations.

Henry Shilling, director of marketing, is client contact.

Loewi Managed Account Services Inc.

111 E. Kilbourn Ave., Milwaukee, Wis. 53202; (414) 347-3360

Loewi Managed Account Services Inc., a subsidiary of Blunt Ellis & Loewi Inc., provides development of investment policies, objectives and asset allocation; U.S. manager evaluation and selection; and U.S. performance measurement and analysis.

The firm also offers accounting and audit services.

It has special expertise in risk evaluation.

The firm provided services to 100 non-retainer clients during the past year, of which 30 were corporate, 60 were public and 10 were union. The firm has established a long-term, non-retainer consulting relationship with 65 of the clients listed above.

There are three professional consultants. Fees are payable in hard and soft dollars.

Thomas M. Trebby, vice president, is client contact.

Lowry Consulting Group Inc.

2859 Paces Ferry Road, Suite 1900, Atlanta, Ga. 30339; (401) 431-1110

Lowry Consulting Group Inc., a subsidiary of Wm. W. Lowry & Associates Inc., provides development of investment policies, objectives and asset allocation; U.S. and foreign manager evaluation and selection; and U.S. and foreign performance measurement and analysis.

The firm also offers a system that tests clients' actuarial policies and pension investment strategies to determine their impact on earnings per share under FASB 87.

The firm has special expertise in asset allocation, manager selection and in a cost reduction methodology using the integration of actuarial and investment policies while measuring complementary investment styles and performance over long periods.

Significant changes at the firm in the past year include the adoption of a new name, a new president and chief financial officer, and the presence of USF&G as a minority stockholder.

Of the 76 clients on retainer, 70 are corporate, three are public and three are union.

There are 10 professional consultants. Fees are payable in hard and soft dollars.

Clients include USF&G, Black & Decker Manufacturing, Emerson Electric and Potomac Electric Power.

Michael T. Wilkinson, president, is the client contact.

m

Managed Portfolio Research

11444 W. Olympic Blvd., 10th Floor, Los Angeles, Calif. 90064-1544; (213) 312-9598

Managed Portfolio Research Inc., a subsidiary of Investment Account Services Corp., provides development of investment policies, objectives and asset allocation; U.S. and foreign manager evaluation and selection; U.S. and foreign performance measurement; and U.S. investment performance analysis.

The firm also offers monthly monitoring statements; 401(k) and other qualified plan services; and a "broad range" — under 404(c) — of professional investment management through a bank collective trust.

The firm has special expertise in ERISA and using the law's criteria to set up a prudent investment process.

There is one professional consultant. Fees are payable in hard and soft dollars.

John A. Martin, president, is client contact.

Marquette Associates Inc.

Quaker Tower, Chicago, Ill. 60610; (312) 527-5500

Marquette Associates Inc. provides development of investment policies, objectives and asset allocation; U.S. and foreign manager evaluation and selection; and U.S. and foreign performance measurement and analysis.

The firm also offers 401(k) plan development and investment review.

The firm has special expertise in insurance company investments, health-care company retirement plans and corporate plans.

Of the 24 clients on retainer, 21 are corporate, two are public and one is union.

There are three professional consultants. Fees are payable in hard dollars.

Brien O'Brien, president, is client contact.

James P. Marshall Inc.

10 King St. E., 10th Floor, Toronto, Ontario M5C 1C3; (416) 361-0225

James P. Marshall Inc. provides development of investment policies, objectives and asset allocation; Canadian manager evaluation and selection; and Canadian performance measurement and analysis.

The firm has special expertise in Canadian money managers; strategic, long-term asset mix policy planning; formulation of investment policies; performance measurement and analysis; and analysis of Canadian and U.S. accounting rules for pension plans.

Significant developments at the firm in the past year include the opening of an office in Regina, Saskatchewan.

There are 16 clients on retainer. The firm also provided services to 30 non-retainer clients during the past year, of which 25 were corporate, three were public and two were union.

There are four professional consultants. Fees are payable in hard dollars.

Andrew N. Smith, partner, is client contact.

James Meketa Associates

1 Monarch Drive, North Quincy, Mass. 02171; (617) 964-0375

James Meketa Associates Inc. provides development of investment policies, objectives and asset allocation; U.S. and foreign manager evaluation and selection; and U.S. and foreign performance measurement and analysis.

The firm also offers negotiation of manager, custodian and broker fees; custodian selection; corporate plan reversions; and asset/liability modeling.

The firm has special expertise in multimanager plan coordination and development.

Of the 16 clients on retainer, seven are corporate, five are union and four are endowment. The firm also provided services to 10 non-retainer clients during the past year, of which nine were corporate and one was union.

There are four professional consultants. Fees are payable in hard dollars.

Clients include Northwest Airlines, Ohio Carpenters, Ohio Laborers and Massachusetts Savings Bank Employees.

John A. Denney, vice president, is client contact.

Mellon Bank

1 Mellon Bank Center, Pittsburgh, Pa. 15258-0001; (412) 234-5551

Mellon Bank provides development of investment policies, objectives and asset allocation; U.S. manager evaluation; and U.S. and foreign performance measurement and analysis.

The bank also offers on-line data access and customized performance reports.

It provides performance information

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to the investment management industry.

Significant developments in the past year include enhancement of the performance measurement system and expansion of its financial data bases.

Of the 60 clients on retainer, 56 are corporate, three are public and one is union.

There are four professional consultants. Fees are payable in hard dollars.

Mary E. McFadden is client contact.

William M. Mercer Meidinger Hansen Inc.

1417 Lake Cook Road, Deerfield, Ill. 60015; (312) 948-7400

William M. Mercer Meidinger Hansen Inc., a subsidiary of Marsh & McLennan, provides development of investment policies, objectives and asset allocation; U.S. and foreign manager evaluation and selection; and U.S. and foreign performance measurement and analysis.

The firm also offers transaction cost evaluation (evaluation of U.S. managers' trading effectiveness) and asset/liability modeling.

The firm has special expertise in asset/liability modeling, international manager selection and transaction cost evaluation.

Significant developments in the past year are the development of a PC-based asset and liability modeling system and the transaction cost evaluation service.

Of the 150 clients on retainer, 70 are corporate, 30 are public, 20 are union and 30 other institutional operating funds. The firm also provided services to 450 non-retainer clients during the past year, of which 250 were corporate, 75 were public, 50 were union and 75 others.

There are 100 professional consultants. Fees are payable in hard and soft dollars.

Clients include Arizona, Arthur Andersen, Ralston Purina and the Major League Baseball Players Association.

S.A. Lincoln, managing director, is client contact.

Merrill Lynch Consulting Services

717 Fifth Ave., New York, N.Y. 10022; (212) 415-7978

Merrill Lynch Consulting Services, a subsidiary of Merrill Lynch, provides development of investment policies, objectives and asset allocation; U.S. and foreign manager evaluation and selection; U.S. and foreign investment performance measurement; and U.S. performance analysis.

The firm has special expertise in on-going consulting relationships through its Asset Information and Measurement Service — its performance analysis service.

Significant developments in the past year include the introduction of the Merrill Lynch Consults Service, which combines many services in a single product package.

The firm provided services to 600 non-retainer clients during the past year, of which 200 were corporate, 100 were public, 100 were union and 200 were endowments.

There are 25 professional consultants. Fees are payable in hard and soft dollars.

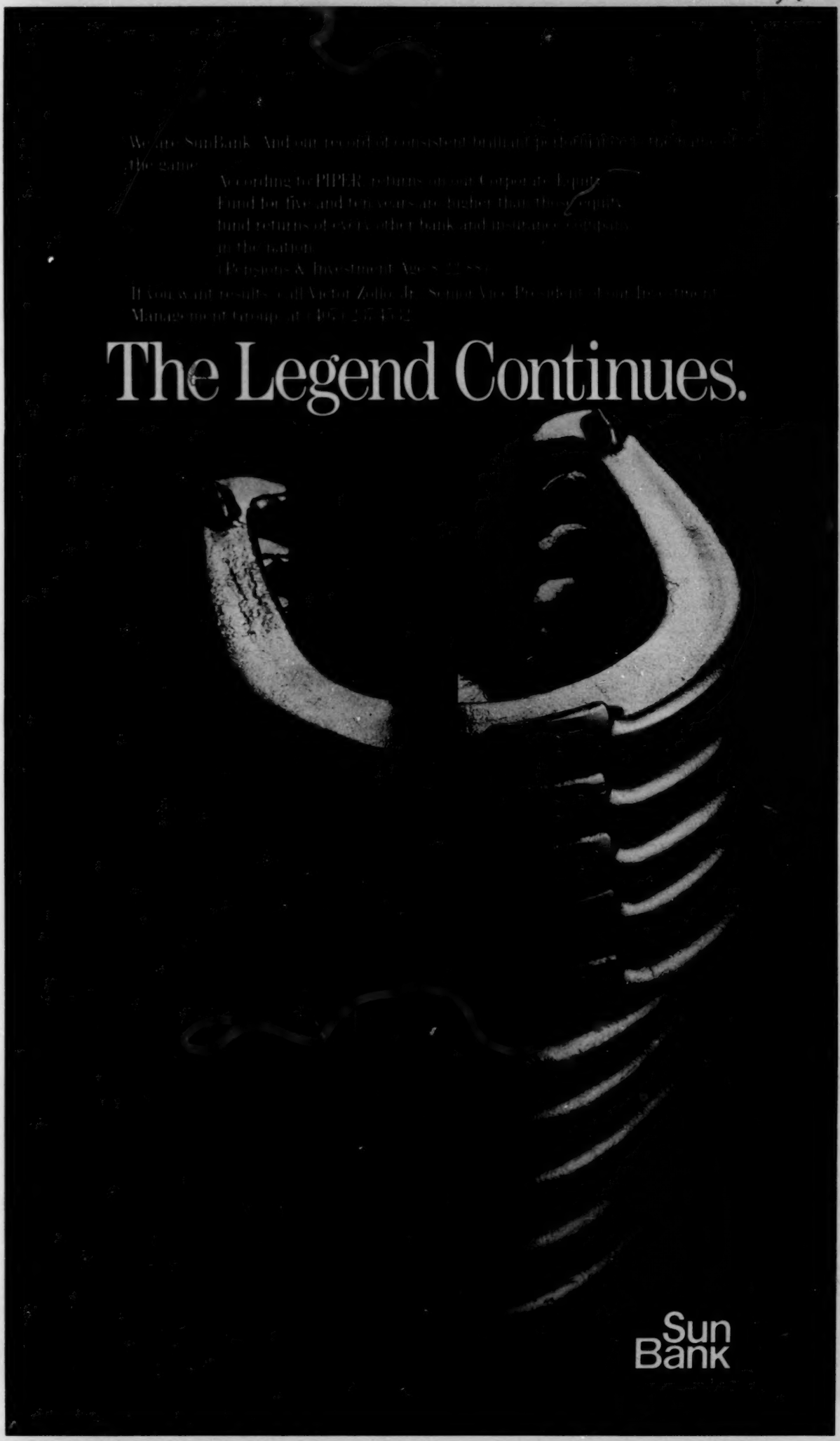
David T. Ferrier, vice president, is the client contact.

Money Manager Consulting Group

10900 N.E. 4th St., Suite 1400, Bellevue, Wash. 98004; (206) 462-5050

Money Manager Consulting Group, a subsidiary of Dain Bosworth Inc., provides development of investment policies, objectives and asset allocation; U.S. manager evaluation and selection; and U.S. performance measurement and analysis.

The firm provides the following to the investment management industry: custodianship, ERISA plan designs, securities executions, manager selection



and monitoring.

The firm has special expertise in working with plans of less than $10 million, performance monitoring and manager selection.

Significant developments in the past year include the implementation of a wrap fee, which includes the manager's fee and the consultant's fee.

Of the 240 clients on retainer, 30 are corporate, 209 are public and one is union.

There are five professional consultants. Fees are payable in hard and soft dollars.

Clients include Analytical Methods, Blake Sand and Gravel, Puget Sound Electrical Workers and Spoelstra Brothers.

Thomas Wede and Andre Kamber, managing principals, are the client contacts.

Monitoring and Evaluation Services Inc.

3375 Park Ave., Suite 3006, Wantagh, N.Y. 11793; (516) 781-2000

Monitoring and Evaluation Services Inc. provides development of investment policies, objectives and asset allocation; U.S. manager evaluation and selection; and U.S. performance measurement and analysis.

The firm provides research relating to market trends and events that may influence performance to the investment management industry.

The firm has special expertise in computer-generated performance reports with emphasis on color graphics at the request of clients between normal quarter annual reporting periods.

Of the nine clients on retainer, one is public and eight are union. The firm also provided services to five non-retainer clients during the past year, of which one was public and four were union.

There are two professional consultants. Fees are payable in soft dollars.

Clients include New York City Detectives Endowment Association, New York City Uniformed Fire Officers Local 854 and the New York City Housing Patrolmen's Benevolent Association and Superior Officers.

John T. Renck is client contact.

Morgan Keegan & Co. Inc.

50 N. Front St., Memphis, Tenn. 38103, (901) 529-3797

Morgan Keegan & Co. Inc. provides development of investment policies, objectives and asset allocation; U.S. and foreign manager evaluation and selection; and U.S. performance measurement and analysis.

The firm also offers pension plan design, installation and administration.

It provides equity and fixed-income research, in addition to performance measurement evaluation to the investment management industry.

The firm has special expertise in performance measurement and manager evaluation and selection.

Of the nine clients on retainer, eight are corporate and one is union. The firm also provided services to 147 non-retainer clients during the past year, of which 121 were corporate, five were public, 12 were union and nine were foundations and endowments.

There are seven professional consultants. Fees are payable in hard and soft dollars.

J. Blake Taylor, vice president, is client contact.

n

New England Pension Consultants Inc.

Church Green, 101 Summer St., Boston, Mass. 02110; (617) 348-2950

New England Pension Consultants Inc. provides development of investment policies, objectives and asset allocation; U.S. and foreign manager evaluation and selection; and U.S. and foreign performance measurement and analysis.

The firm also offers assistance with structured portfolios, FASB 87 asset/liability matching, derivative instruments and public and Taft-Hartley fund services.

Of the 45 clients on retainer, 11 are corporate, nine are public, 14 are union and 11 are endowments.

There are four professional consultants. Fees are payable in hard and soft dollars.

Richard M. Charlton is client contact.

o

The Option Consulting Group Inc.

17 Madison Ave., Port Chester, N.Y. 10573; (914) 939-1543

The Option Consulting Group Inc. provides development of investment policies, objectives and asset allocation; and U.S. and foreign performance measurement and analysis.

The firm also offers market simulation research and owns extensive historical stock, option and index data bases and quantitative simulation models for strategy evaluation.

The firm provides historical strategy simulation models and option overwriting and mathematical asset allocation optimizers to the investment management industry.

The firm has special expertise in U.S. stock options and installs high-speed links to client computers for complex real-time trading strategies.

Significant developments in the past year include increased emphasis on optimization strategies and the addition of proprietary global optimization strategies.

There are five corporate clients on retainer. The firm provided services to two non-retainer clients during the past year.

There are five professional consultants. Fees are payable in hard and soft dollars.

The firm licenses four proprietary investment products: option overwriting; currency optimization; global asset optimization; and equity optimization.

Clients include Balch, Hardy & Scheinman and the International Option Investment Trust.

Kurt G. Hiebaum, president, is client contact.

O'Shaughnessy Capital Management Inc.

Suite 18F, 740 River Drive, St. Paul, Minn. 55116; (612) 699-2334

O'Shaughnessy Capital Management Inc. provides asset allocation development. The firm provides monthly and as-needed reviews of its proprietary allocation models' advice for equity-oriented investments; reviews of individual equities on a value and quantitative method; and commentary.

The firm has special expertise in tactical asset allocation strategies for large portfolios.

The firm was formed in March.

There is one professional consultant. Fees are payable in hard dollars.

James P. O'Shaughnessy, president, is client contact.

p

PaineWebber Inc.

1285 Avenue of the Americas, New York, N.Y. 10019; (212) 713-2625; 2000 Post Oak Blvd., Suite 120, Houston, Texas 77056; (713) 871-0901

PaineWebber Inc. provides development of investment policies, objectives and asset allocation; U.S. manager evaluation and selection; and U.S. per-

THE STRONG. THE BRILLIANT.

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formance measurement and analysis.

The firm also offers searches for custodians, plan administrators and actuaries.

It provides performance evaluation and investment adviser searches to the investment management industry.

The firm has special expertise in monitoring performance and conducting adviser searches.

Significant developments in the past year include the development of the PW Trust, which gives clients full trust and administrative services, as well as the benefit of choosing from six independent managers.

Fees are payable in hard and soft dollars.

The firm offers its own investment vehicles involving GICs, U.S. government securities and the PW Trust.

Jennifer Schiffman, vice president, is client contact in New York; Frank Savage, vice president-investments, is client contact in Houston.

The book of lists: Dec. 26.

Peat Marwick Main & Co.

345 Park Ave., New York, N.Y. 10154; (212) 872-5973

Peat Marwick Main & Co., a subsidiary of KPMG Peat Marwick, provides development of investment policies, objectives and asset allocation; U.S. and foreign manager evaluation and selection; and U.S. performance measurement and analysis.

The firm also offers real estate manager evaluation and selection, master trust/custodian evaluation and selection, customized research products and surveys, investment performance attestation and integration of investment and treasury management disciplines.

The firm provides investment performance attestation to the investment management industry.

The firm has special expertise in integrating asset and liability planning; manager searches; and integrating investment and treasury disciplines.

Significant developments in the past year include expansion of the investment supervision group's ties to other areas of the firm, particularly the treasury management and tax departments.

There are 10 professional consultants. Fees are payable in hard and soft dollars.

Clients include Carlisle Cos., Girl Scouts of America, Hitchcock Clinic and San Diego Transport.

Evelyn Morgner, senior manager, is client contact.

The Peirce Park Group

2600 W. 7th St., Suite A, Wilmington, Del. 19805; (302) 429-0982

The Peirce Park Group provides development of investment policies, objectives and asset allocation; U.S. and foreign manager evaluation and selection; U.S. performance analysis; and foreign investment performance measurement.

There are three corporate retainer clients. The firm also provided services to 23 non-retainer clients during the past year, of which 19 were corporate and four were foundations.

There are two professional consultants. Fees are payable in hard and soft dollars.

Michael W. Shone, president, is client contact.

Pension Consulting Alliance

1435 Gardena Ave., Suite 13, Glendale, Calif. 91204; (818) 240-0372

Pension Consulting Alliance provides development of investment policies, objectives and asset allocation; U.S. and foreign manager evaluation and selection; and U.S. and foreign performance measurement and analysis.

The firm also offers comprehensive real estate services, divestiture, trading cost analysis and cost control studies and planning.

The firm has special expertise in real estate, international and public pension fund services.

The firm opened July 1, and has provided services to one union non-retainer client.

There is one professional consultant. Fees are payable in hard and soft dollars.

Allan Emkin, president, is client contact.

Pension Investors Securities

1180 Spring Centre S. Blvd., Suite 225, Altamonte Springs, Fla. 32714; (407) 869-4233

Pension Investors Securities Corp. provides development of investment policies, objectives and asset allocation; U.S. manager evaluation and selection; U.S. performance measurement; and foreign investment performance measurement.

The firm helps to develop investment policies and asset allocation for small to midsize qualified plans.

The firm has special expertise in multifund investing.

The firm provided services to 240 corporate non-retainer clients during the past year.

There are eight professional consultants. Fees are payable in soft dollars.

Fred A. Forbes, president, is client contact.

Pension Portfolio Advisors

25800 Northwestern Highway, P.O. Box 2165, Southfield, Mich. 48037; (313) 357-4125

Pension Portfolio Advisors, a subsidiary of Maccabees Mutual Life Insurance Co., provides development of investment policies, objectives and asset allocation; U.S. and foreign manager evaluation and selection; and U.S. and foreign performance measurement.

The firm also offers GIC search services.

The firm has special expertise in investment advisory, portfolio management, administrative and custodial services.

Of the 120 clients on retainer, 113 are corporate, four are public and three are union. The firm also provided services to 41 non-retainer clients during the past year, of which 40 were corporate and one was union.

There are seven professional consultants. Fees are payable in hard dollars.

Carole A. Beauchemin, investment marketing consultant, is the client contact in Southfield; Frank R. Novy, vice president, is the client contact in Cleveland at (216) 891-0010.

Performance Analysis Group

300 Gem Plaza, Dayton, Ohio 45402; (513) 223-6111

Performance Analysis Group, a subsidiary of Shearson Lehman Hutton, provides development of investment policies, objectives and asset allocation; U.S. manager evaluation and selection; and U.S. performance measurement and analysis.

The firm provides custody and brokerage services to the investment management industry.

The firm has special knowledge of Midwest managers and has expertise in working with clients with less than $5 million.

There are 100 corporate retainer clients.

There is one professional consultant. Fees are payable in soft dollars.

Clients include the Dayton Philharmonic, Tait Foundation and Stop & Go.

William T. Leakas is client contact.

Performance Analytics Inc.

30 S. Wacker Drive, Suite 1502, Chicago, Ill. 60606; (312) 930-9560

Performance Analytics Inc. provides development of investment policies, objectives and asset allocation; U.S. and foreign manager evaluation and selection; and U.S. and foreign performance measurement and analysis.

The firm also offers assistance in manager style tilting, through which assets are redirected to undervalued from overvalued styles.

The firm provides performance anal-

THE POWERFUL.

The Asset Managers of Pacific Financial Companies have earned their unparalleled reputation for being among America's pre-eminent money managers.

Strong. Fixed income performance has ranked in the top 1% of all bond managers for the last ten year period, and exceeded the Shearson Lehman Hutton Government/Corporate Bond Index nine of the last ten years.*

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THE POWER OF THE PACIFIC

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Pacific Financial Asset Management Corp.
PMRealty Advisors
Pacific Investment Management Company
Parametric Portfolio Associates
Cadence Capital Management Corp.

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* Pacific Mutual Managed Bond Fund III total annualized rate of return as published by SEI Corp. for periods ending December 31, 1987.

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ysis to the investment management industry.

The firm has special expertise in asset allocation, style tilting and early detection of manager problems.

The firm provided services to 275 non-retainer clients during the past year, of which 165 were corporate, 27 were public and 83 were union.

There are seven professional consultants. Fees are payable in hard and soft dollars.

William G. Lowery, national sales manager, is client contact.

Portfolio Management Consultants Inc.

600 17th St., Suite 1735N, Denver, Colo. 80202; (303) 595-0660

Portfolio Management Consultants Inc. provides development of investment policies, objectives and asset allocation; U.S. and foreign manager evaluation and selection; and U.S. and foreign performance measurement and analysis.

The firm has special expertise in asset allocation, manager selection and performance monitoring.

During the past year, the firm has developed products and services for the lower to middle market ($1 million to $10 million).

There are five professional consultants. Fees are payable in hard and soft dollars.

Kenneth S. Phillips, president, is client contact.

Prudential-Bache Securities Investment Management Consulting Services

100 Gold St., New York, N.Y. 10038; (212) 406-6110

Prudential-Bache Securities Investment Management Consulting Services, a subsidiary of Prudential Insurance, provides development of investment policies, objectives and asset allocation; U.S. manager evaluation and selection; and U.S. performance measurement and analysis.

The firm has special expertise in in the development of investment policies statements, manager search and selection and investment performance reviews.

Of the 244 clients on retainer, 157 are corporate, 21 are public, 34 are union and 32 are foundations and trusts.

There are 30 professional consultants. Fees are payable in hard and soft dollars.

Clients include BIC Pen, Michigan Milk Producers, Hawaii Laborers and the Archdiocese of San Francisco.

Victor P. Rosasco, senior vice president and national director, and Kathleen W. Ferguson, vice president, are client contacts.

q

Quantec/Quantitative Analysis Inc.

68 Laight St., New York, N.Y. 10013; (212) 925-7224

Quantec/Quantitative Analysis Inc. provides consulting and software for global asset allocation and portfolio risk analysis.

The firm provides consulting and systems for global investors to the investment management industry. Software products include a global asset allocation service, an international equity risk service, a global portfolio insurance model and a global dividend discount model.

The firm has special expertise in applying quantitative investment techniques to global investments.

Significant changes or developments at the firm in the past year included the opening of a London office.

Of the 50 clients on retainer, five are corporate and 45 are money managers.

There are seven professional consultants. Fees are payable in hard and soft dollars.

Rosanne Pane is client contact.

QUAN-VEST Consultants

390 Plandome Road, Manhasset, N.Y. 11030; (516) 365-4619

QUAN-VEST Consultants Inc. provides development of investment policies, objectives and asset allocation; U.S. manager evaluation and selection; and U.S. performance measurement and analysis.

The firm also offers tactical asset allocation and long-term asset allocation.

The firm provides computerized analysis of a 1,000-stock universe based on valuation, earnings momentum, technical and composite factors to the investment management industry.

The firm has special expertise in providing multiemployer plans the equivalent of an in-house investment supervision department.

Of the 26 clients on retainer, six are corporate, one is public and 19 are union. The firm also provided services to one corporate non-retainer client during the past year.

There are three professional consultants. Fees are payable in hard and soft dollars.

Clients include National Maritime Union, Uniformed Fire Officers, Textile Workers and Hotel Trades.

Anthony F. Lotruglio is client contact.

r

Reed Pension Consulting

300 E. Carpenter Freeway, Suite 1400, Irving, Texas 75062; (214) 541-1212

Reed Pension Consulting, a subsidiary of Reed Financial Group Inc., provides development of investment policies, objectives and asset allocation; U.S. manager evaluation and selection; and U.S. performance measurement and analysis.

The firm has special expertise in meeting the needs of plans with assets less than $20 million.

Significant developments in the past year include the addition of a computer programmer/analyst and a consultant.

Of the 11 clients on retainer, 10 are corporate and one is union. The firm also provided services to five corporate non-retainer clients during the past year.

There are three professional consultants. Fees are payable in hard and soft dollars.

Peter H. Roe, vice president-pension consulting division, is client contact.

Richards & Tierney Inc.

111 W. Jackson Blvd., Chicago, Ill. 60604; (312) 461-1100

Richards & Tierney Inc. provides development of investment policies, objectives and asset allocation; U.S. and foreign manager evaluation and selection; U.S. and foreign performance measurement; and U.S. performance analysis.

The firm also offers pension fund performance analysis regarding investment policy, structure, management and strategy.

The firm offers design, construction, maintenance and analysis of benchmarks to the investment management industry.

The firm has special expertise in benchmark portfolios and its Dynamic Completeness Fund.

Significant developments in the past year include the addition of Jeff Bailey as a senior vice president.

Of the 24 retainer clients, 21 are corporate and three are public.

There are three professional consultants. Fees are payable in hard and soft dollars.

Clients include Minnesota, GE, Owens Illinois and RJR Nabisco.

Thomas M. Richards, principal, is client contact.

Robinson-Humphrey Co. Inc.

3333 Peachtree Road N.E., Atlanta, Ga. 30326; (404) 266-6120

The Robinson-Humphrey Co. Inc., a subsidiary of Shearson Lehman Hutton, provides development of investment policies, objectives and asset allocation; U.S. and foreign manager evaluation and selection; and U.S. performance measurement and analysis.

The firm also offers employee benefit plan consultation services, including plan design proposals and installation of prototype plan documents.

It has special expertise in consulting for employee benefit plans and charitable foundations, and qualitative and quantitative analysis of Southeastern-based managers.

Of the 800 non-retainer clients, 700 are corporate and 100 are public.

There are 10 professional consultants.

Fees are payable in hard and soft dollars.

Richard J. Saunders, first vice president, is client contact.

Rogers, Casey & Barksdale

29 Federal St., Stamford, Conn. 06901; (203) 356-9400

Rogers, Casey & Barksdale Inc. provides development of investment policies, objectives and asset allocation; U.S. and foreign manager evaluation and selection; and U.S. and foreign performance measurement and analysis.

The firm also offers non-ERISA financial consulting and investment supervision products.

The firm provides the PIPER data base to the investment management industry through Crain Communications Inc.

The firm has special expertise in venture capital research.

During the past year, the firm restructured into RCB International and Rogers, Casey & Barksdale Inc., the former including international investment products and the latter, consulting and U.S. investment products.

Of the 30 clients on retainer, 25 are corporate and five are public. The firm also provided services to six corporate non-retainer clients during the past year.

There are 10 professional consultants. Fees are payable in hard and soft dollars.

The firm offers the special equity group trust; the mutual fund thrift program; and segregated investment programs.

Clients include Gannett, New York state, New York City Teachers and Unisys.

James F. Beasley, chief operating officer, is client contact.

The Brian Rom Corp.

860 Fifth Ave., New York, N.Y. 10021; (212) 724-7535

The Brian Rom Corp. provides development of investment policies, objectives and asset allocation; U.S. and foreign manager evaluation and selection; and U.S. and foreign performance measurement and analysis.

The firm also offers consulting on all aspects of South Africa divestiture, including evaluating managers' capabilities to manage South Africa-free portfolios, issues analysis and seminars.

The firm provides analysis of how the performance of individual managers of South Africa-free portfolios compares with the universe of all South Africa-free managers, and offers assistance to managers in marketing South Africa-free services.

The firm has special expertise in setting long-term asset allocation policies and South Africa divestiture.

Significant developments in the past year include the development of a data base of South Africa-free investment firms.

Of the 12 clients on retainer, three are corporate and nine are money managers. The firm also provided services to 16 non-retainer clients during the past year, of which seven were corporate, two were public and seven were endowments and foundations.

There are five professional consultants. Fees are payable in hard and soft dollars.

Clients include Peter J. Schmitt Co. and Rich Products.

Brian M. Rom is client contact.

Roulac Real Estate Consulting Group

50 California St., Suite 1300, San Francisco, Calif. 94111; (415) 433-0300

Roulac Real Estate Consulting Group, a subsidiary of Deloitte Haskins & Sells, provides development of real estate investment policies, objectives and asset allocation; U.S. real estate manager evaluation and selection; and measurement and analysis of U.S. and foreign real estate investment performance.

The firm also offers investment strategy formation, product development, property selection, transaction structuring, due diligence, property valuation and appraisal management services to the investment management industry.

It has special expertise in real estate strategy and policy development; real estate manager selection; property and transaction analysis; and performance measurement.

There are two public retainer clients. The firm also provided services to 50 non-retainer clients during the past year, of which 45 were corporate and five were public.

There are 40 professional consultants. Fees are payable in hard dollars.

Clients include California Public Employees and Texas Teachers.

Jake Young, senior manager, is client contact.

Rowland-Carmichael

2813 E. Camelback Road, Suite 400, Phoenix, Ariz. 85016; (602) 955-1540

Rowland-Carmichael provides development of investment policies, objectives and asset allocation; U.S. and foreign manager evaluation and selection; and U.S. and foreign performance measurement and analysis.

The firm has special expertise in risk management through the use of asset allocation strategies.

Of the 33 clients on retainer, 32 are corporate and one is union.

There are three professional consultants. Fees are payable in hard and soft dollars.

Clients include Tanner Cos., Shamrock Foods, IBEW and Kenley Industries.

Timothy L. Rowland, chairman, is the client contact.

Frank Russell Co.

P.O. Box 1454, Tacoma, Wash. 98402; (206) 572-2282

Frank Russell Co. provides development of investment policies, objectives and asset allocation; U.S. and foreign manager evaluation and selection; and U.S. and foreign performance measurement and analysis.

The firm also offers real estate and equity indexes; analytical software; and asset/liability modeling.

Significant current research and development projects include research into the globalization of assets and development of analytical systems and indexes for non-U.S. investments and capital markets.

There are 40 U.S. clients on retainer, including Xerox, AT&T, Chevron and the State of Oregon. The firm has 100 institutional clients overseas.

Russell offers financial services through 11 subsidiaries, including Frank Russell Trust, Frank Russell Securities and Frank Russell Advisors.

Tony Whatley, director of marketing, is client contact.

Public funds will be the subject of a special report in the Nov. 28 issue of *Pensions & Investment Age*.

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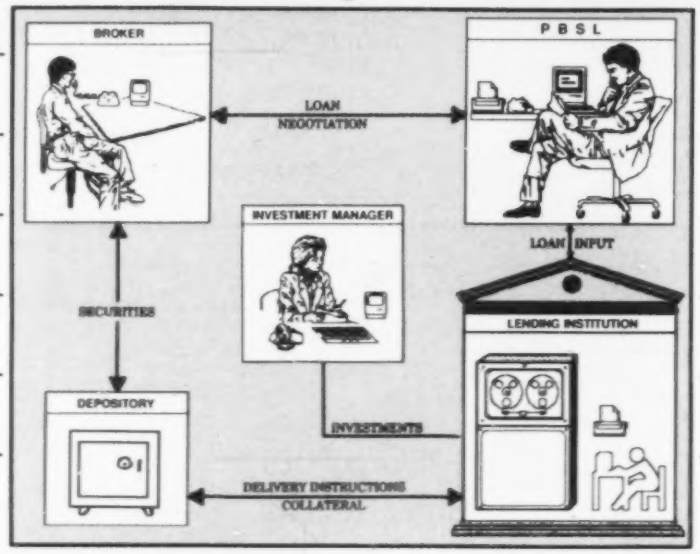

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S

Richard Schilffarth & Associates Ltd.

1201 N. Prospect Ave., Milwaukee, Wis. 53202; (414) 276-4140

Richard Schilffarth & Associates Ltd. provides development of investment policies, objectives and asset allocation; U.S. manager evaluation and selection; and U.S. performance measurement and analysis.

The firm provides manager search information and fund analysis/performance reviews to the investment management industry.

It has special expertise in investment manager research. During the past year, the firm developed and introduced the Monitor Funds, a bank collective trust.

There are six professional consultants. Fees are payable in hard and soft dollars.

Raymond C. Krieg, vice president, is the client contact.

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Gabelli Asset Management Company

Time Period	Rank*
1983-1987	1
1983-1985	1
1984-1985	1

• Compound annual return:	5 year	10 year
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Contact **Regina Pitaro,** Vice President

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*CDA Investment Technologies Inc. Rank among 936 managers
Past performance is not necessarily an indication of future returns

Segal Advisors Inc.

730 Fifth Ave., New York, N.Y. 10019; (212) 586-5600

Segal Advisors Inc., a subsidiary of Martin E. Segal Co., provides development of investment policies, objectives and asset allocation; U.S. and foreign manager evaluation and selection; and U.S. and foreign performance measurement and analysis.

The firm also offers master trust service evaluation and selection, and negotiation of fee and brokerage commission arrangements.

The firm has special expertise in relating investment programs to actuarial characteristics of benefit plans.

Significant developments at the firm in the past year include the addition of staff with particular capabilities in financial analysis.

Of the 60 clients on retainer, three are corporate, four are public, 50 are union and three are foundations. The firm also provided services to 20 non-retainer clients during the past year, of which two were corporate, one was public, 15 were union and two were foundations.

There are seven professional consultants. Fees are payable in hard dollars.

Clients include Wyoming Retirement System, American Cancer Society, National Tea Co. and the Chicago Carpenters' Pension Fund.

Martin Levenson is client contact.

SEI Corp.

680 E. Swedesford Road, Wayne, Pa. 19087-1000; (215) 254-1000

SEI Corp. provides development of investment policies, objectives and asset allocation; U.S. and foreign manager evaluation and selection; and U.S. and foreign performance measurement and analysis.

The firm also offers asset/liability planning, real estate consulting, detailed international and global performance evaluation, on-going trading analysis, master trustee evaluation and auditing and special research and development. SEI also will assume fiduciary responsibility for providing full pension administrative and investment support.

The firm provides the following to the investment management industry: domestic and international performance evaluation and consulting, trading cost analysis and consulting and on-going marketing and business consulting.

Significant developments in the past year include the firm's further progress to being a full plan management consultant, and now it will assume fiduciary responsibilities.

Of the 270 clients on retainer, 160 are corporate, 90 are public and 20 are union. The firm also provided services to 1,800 non-retainer clients during the past year, of which 1,000 were corporate, 200 were public, 175 were union and 425 were investment managers.

There are 174 professional consultants. Fees are payable in hard and soft dollars.

Clients include Florida, Halliburton, Massachusetts Bay Transportation and Olin.

Edward D. Loughlin, senior vice president, is client contact.

Select Benefits Inc.

100 Dain Tower, Minneapolis, Minn. 55402; (612) 371-2911

Select Benefits Inc., a subsidiary of Dain Bosworth Inc., provides development of investment policies, objectives and asset allocation; U.S. manager evaluation and selection; and U.S. performance measurement and analysis.

The firm also offers participant record-keeping.

Significant developments in the past year include the addition of an experienced investment professional to the staff.

Of the 80 clients on retainer, 75 are corporate, three are public and two are union.

There are three professional consultants. Fees are payable in hard and soft dollars.

Ernest W. Andberg is client contact.

Sentinel Investment Management Corp.

34 S. Broadway, White Plains, N.Y. 10601; (914) 683-3970

Sentinel Investment Management Corp. provides development of investment policies, objectives and asset allocation; U.S. manager evaluation and selection; and U.S. performance measurement and analysis.

There are two professional consultants. Fees are payable in hard dollars.

Lawrence B. Eichler is client contact.

Jeffrey Slocum & Associates

5200 W. 73rd St., Minneapolis, Minn. 55435; (612) 893-1955

Jeffrey Slocum & Associates Inc. provides development of investment policies, objectives and asset allocation; U.S. and foreign manager evaluation and selection; and U.S. and foreign performance measurement and analysis.

The firm also offers custodian bank audits and topical consulting on pension and investment issues.

The firm has special expertise in performance measurement, asset/liability modeling and manager selection.

Of the 33 clients on retainer, 21 are corporate, seven are public and five are union. The firm also provided services to 11 non-retainer clients during the past year, of which nine were corporate, one was public and one, union.

There are three professional consultants. Fees are payable in hard and soft dollars.

Clients include Iowa, Blue Cross and Blue Shield of Minnesota, Cowles Media and the Amherst H. Wilder Foundation.

Jeffrey C. Slocum, president, is client contact.

Southeastern Advisory Services Inc.

10 Piedmont Center, Suite 302, Atlanta, Ga. 30305; (404) 237-3156

Southeastern Advisory Services Inc. provides development of investment policies, objectives and asset allocation; U.S. and foreign manager evaluation and selection; and U.S. and foreign performance measurement and analysis.

The firm also offers the design and implementation of plan expense reduction programs.

It has special expertise in manager searches and performance evaluation.

Significant developments in the past year include becoming a registered investment adviser and adding principals Angela Z. Sessler and H. David Stuart III.

The firm has 10 corporate retainer clients. The firm also provided services to 10 non-retainer clients during the past year, of which seven were corporate and three were public.

There are four professional consultants. Fees are payable in hard and soft dollars.

Bishop F. Smith Jr., managing principal, is client contact.

Southern Plantations Group

P.O. Box 1683, Albany, Ga. 31702; (912) 439-0012

Southern Plantations Group Inc. provides development of investment policies, objectives and asset allocation; U.S. manager evaluation and selection; and U.S. performance measurement.

The firm offers analysis of specific investments as well as industry analysis, trends and developments in the agricultural and timberland sectors.

The firm provides the following to the investment management industry: agricultural and timberland investments; establishment of objectives, planning and budgeting, acquisition, divestment and management; and management and operations auditing and appraisals.

The firm has special expertise in agricultural, timberland and agribusiness investments.

The firm has 12 corporate retainer clients. It also provided services to four corporate non-retainer clients during the past year.

There are five professional consultants. Fees are payable in hard dollars.

Joseph H. Marshall, president, is client contact.

Spear Street Advisors Inc.

100 Spear St., Suite 930, San Francisco, Calif. 94105; (415) 543-6500

Spear Street Advisors Inc. provides formulation of real estate investment objectives and policies; asset allocation to the real estate asset class, real estate managers and private placement investments; and the development and evaluation of real estate investment strategies. The firm also provides performance measurement and monitoring services at the property, private placement fund, asset manager and the real estate portfolio levels.

Spear Street Advisors also provides specialized services in the areas of private placement fund due diligence; due diligence of direct real estate investment proposals; arranging real estate co-investments between institutional investors; evaluation of secondary offerings involving private placement real estate funds; and focused research in such areas as timberland, developmental land and other specialized real estate concepts.

Focused and specialized investment research services are offered to real estate investment managers.

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management services where non-fiduciary real estate asset managers are involved.

Fees are on a task-related basis for consultant services and a basis-point arrangement for investment advisory services.

As of Sept. 1, the firm had 11 clients, of which four were corporate, five were public, one was union and one was non-profit.

Paul S. Saint-Pierre is client contact.

Sponsor-Software Systems

860 Fifth Ave., New York, N.Y. 10021; (212) 724-7535

Sponsor-Software Systems Inc., a subsidiary of The Brian Rom Corp., provides two PC-based software systems: Asset Allocation Expert, an asset allocation optimization system based on the traditional efficient frontier and incorporating the new below-target variance measure; and FASB Expert, a FASB 87 actuarial-projection system. The firm will provide custom-built software for sponsors and investment firms.

There is one professional consultant. Fees are payable in hard and soft dollars.

Brian M. Rom is client contact.

Stolper & Co. Inc

525 B St., Suite 630, San Diego, Calif. 92101-4409; (619) 231-9102

Stolper & Co. Inc. provides development of investment policies, objectives and asset allocation; U.S. and foreign manager evaluation and selection; and U.S. and foreign performance measurement and analysis.

The firm has special expertise with incentive fee managers.

There are 420 corporate retainer clients.

There are three professional consultants. Fees are payable in hard and soft dollars.

Wilma Engel, consultant, is the client contact.

Stratford Advisory Group

120 S. Riverside Plaza, Chicago, Ill. 60606; (312) 902-1985

Stratford Advisory Group inc. provides development of investment policies, objectives and asset allocation; U.S. and foreign manager evaluation and selection; and U.S. performance measurement and analysis.

The firm also offers real estate evaluation, real estate manager selection and strategic asset allocation.

Of the 25 clients on retainer, seven are corporate, one is public, two are union and 15 are endowments and foundations. The firm also provided services to six non-retainer clients during the past year, of which one was corporate, one was public and four were endowments and foundations.

There are six professional consultants. Fees are payable in hard and soft dollars.

Clients include Knight-Ridder, Fairchild Industries, the Carnegie Institute and the Sheet Metal Worker National Pension Fund.

Robert L. Gernstetter, senior consultant, is client contact.

Theodore Tench & Associates Inc.

1250 Rogers St., Suite D, Clearwater, Fla. 34616; (813) 443-7199

Theodore Tench & Associates Inc. provides development of investment policies, objectives and appropriate asset allocation; U.S. manager evaluation and selection; and U.S. performance measurement and analysis.

The firm provides customized quarterly or semiannual investment performance reports to the investment management industry.

The firm has special expertise in analyzing and reporting investment results combining text and graphics.

Significant developments in the past year include staff additions.

Of the 15 clients on retainer, 11 are corporate, two are public and two are union.

There is one professional consultant. Fees are payable in hard dollars.

Clients include Plumbers and Pipefitters Local 624, Florida Millwrights, Morton Pland Hospital and Lamalie Associates.

Theodore Tench, president, is client contact.

TMSI — Investment Management Consulting Group

5555 San Felipe, Suite 1000, Houston, Texas 77056; (713) 599-7228

TMSI — Investment Management Consulting Group, a subsidiary of Thomson McKinnon Securities Inc., provides development of investment policies, objectives and asset allocation; U.S. manager evaluation and selection; and U.S. performance measurement and analysis.

The firm also offers design, implementation and cost analysis of nonqualified benefit programs.

The firm has special expertise in risk tolerance, GIC comparisons and life insurance cost analysis.

The firm provided services to 15 non-retainer clients during the past year, of which 14 were corporate and one was public.

There are two professional consultants. Fees are payable in soft dollars.

Clients include Lockwood, Andrews & Newnam, Southcoast Terminals, Palmer-Hastik & Associates, and the Fireman's Relief and Retirement Fund of Texas City.

Robert G. Florance Jr., vice president, is client contact.

The Townsend Group

1419 W. Ninth St., Cleveland, Ohio 44113; (216) 781-9090

The Townsend Group provides development of investment policies, objectives and asset allocation; U.S. manager evaluation and selection; and U.S. performance measurement and analysis.

The firm also offers development of investment criteria and property-specific due diligence.

The firm does consulting for real estate assets only.

Of the three clients on retainer, one is corporate and two are public.

The firm provided services to six union non-retainer clients during the past year.

There are three professional consultants. Fees are payable in hard and soft dollars.

Clients include Ohio Police and Firemen's Pension and Disability Fund, Inland Steel Industries, and Chicago Transit Authority.

Kevin W. Lynch and Terrance R. Ahern, principals, are the client contacts.

TPF&C

950 E. Paces Ferry Road, Atlanta, Ga. 30326; (404) 365-1745

TPF&C, a subsidiary of Towers Perrin, provides development of investment policies, objectives and asset allocation; U.S. and foreign manager evaluation and selection; and U.S. and foreign performance measurement and analysis.

The firm also offers GIC, IPG and annuity consulting.

The firm has special expertise in asset/liability forecasting and insurance contract consulting.

Significant developments at the firm in the past year include the introduction of investment manager search and evaluation capability.

There are 17 professional consultants. Fees are payable in hard and soft dollars.

Roger C. Bransford, national director-asset consulting, is client contact.

Tremont Partners Inc.

39 Pine St., New Canaan, Conn. 06908; (203) 966-4074

Tremont Partners Inc., a subsidiary of Lynch Corp., provides development

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of investment policies, objectives and asset allocation; U.S. and foreign manager evaluation and selection; and U.S. and foreign performance measurement and analysis.

The firm also offers total investment supervision of tax-exempt and taxable assets and the creation of investment vehicles for financial intermediaries.

The firm provides establishment of pooled investment vehicles and participation in existing client funds to the investment management industry.

The firm has special expertise in equity, special real estate, manager evaluation and investment partnerships.

Significant developments at the firm in the past year include its acquisition by Lynch Corp.

There is one public retainer client and the firm also provided services to one corporate non-retainer client during the past year.

There are five professional consultants. Fees are payable in hard dollars.

Clients include the Town of Fairfield. Sandra Manzke is client contact.

V

Venture Economics Inc.

16 Laurel Ave., P.O. Box 81348, Wellesley Hills, Mass. 02181; (617) 431-8100

Venture Economics Inc. provides development of investment policies and objectives; U.S. manager evaluation and selection; and U.S. performance measurement and analysis.

The firm also provides consulting to refine investment criteria, research support, screening proprietary data bases and aggregate portfolio reports with industry benchmarks on investment status and performance. A separate service offers performance measurement guidelines for venture capital funds.

The firm provides manager directories, portfolio analysis and performance research to the investment management industry.

The firm has special expertise in venture capital and leveraged buy-out investing.

Fees are payable in hard and soft dollars.

Linda Vincent, vice president, and Ted Clark, associate, are client contacts.

W

Washington, Hackett, Smith

147 Carondelet St., Suite 1125, New Orleans, La. 70130; (504) 865-1118

Washington, Hackett, Smith & Co. provides development of investment policies, objectives and asset allocation; U.S. and foreign manager evaluation and selection; and U.S. and foreign performance measurement and analysis.

The firm also offers minority and women-owned investment manager evaluation and selection; implementation of minority and local investment manager "farm teams"; planning and implementation of affirmative action policies and legislation with regard to investment management.

The firm has special expertise in minority and women-owned manager evaluation, search and monitoring.

The firm, which is less than a year old, gained one retainer client, the Louisiana treasurer's office.

The firm also provided services to two public non-retainer clients during the past year.

There are three professional consultants. Fees are payable in hard and soft dollars.

Christian M. Washington is client contact.

Wilshire Associates

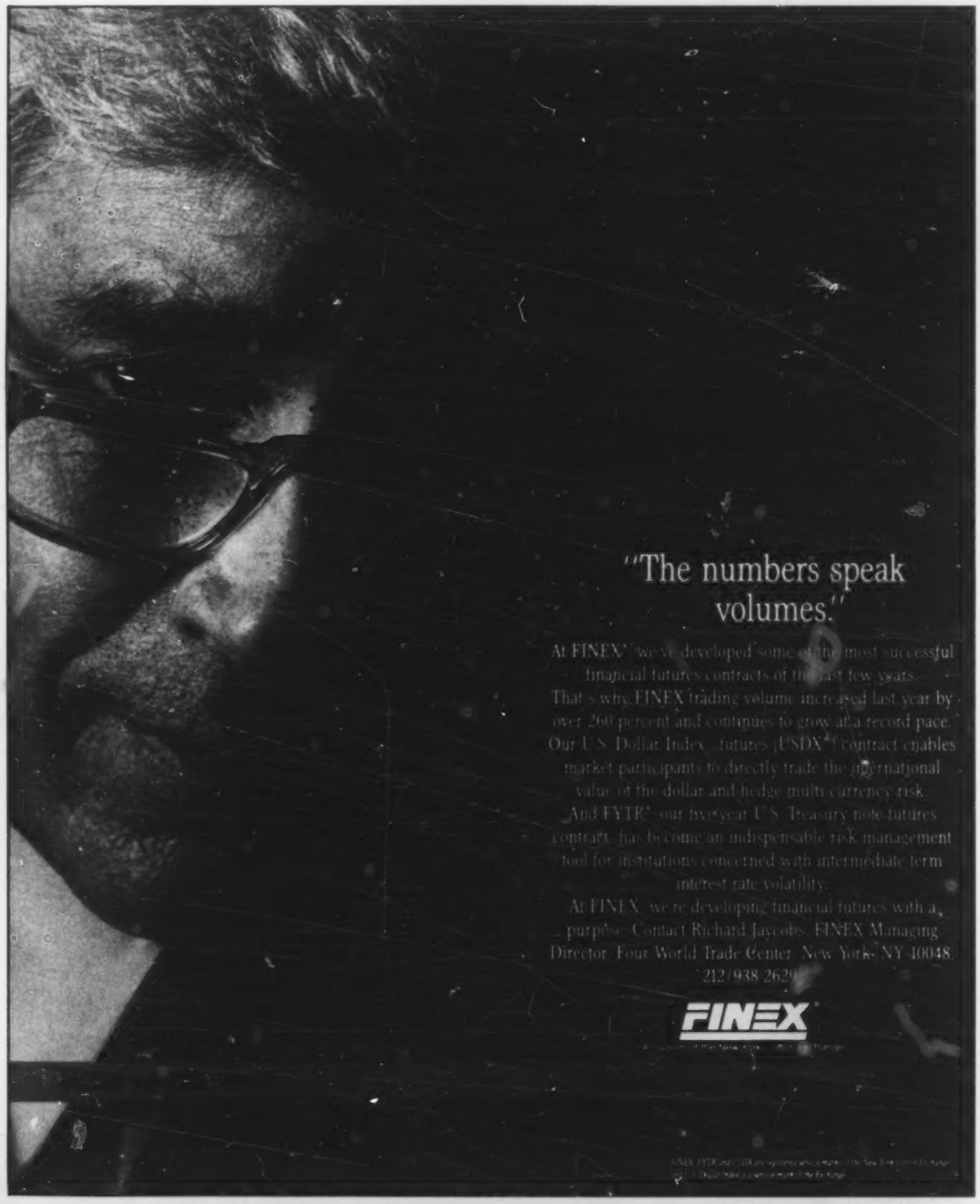
1299 Ocean Ave., Santa Monica, Calif. 90401; (213) 451-3051

Wilshire Associates provides development of investment policies, objectives and asset allocation; U.S. and foreign manager evaluation and selection; and U.S. and foreign performance measurement and analysis.

The firm also offers investment structure analysis, real estate consulting, transaction and trading analysis, special investments selection and monitoring (including venture capital, leveraged buy-outs and turnarounds) and cost reduction programs.

It offers the following to the investment management industry: asset allocation, equity management systems, fixed-income management systems, accounting, performance measurement and analysis, universal comparisons and client reporting systems.

Developments at the firm in the past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year are major additions to the consultant senior support staff and enhancement of its international data base and performance evaluation capability.

Of the 73 clients on retainer, 39 are corporate, 22 are public and 12 are endowments and foundations. The firm also provided services to two non-retainer clients during the past year; one was corporate and one, public.

There are 15 professional consultants. Fees are payable in hard and soft dollars.

The firm runs index funds and growth and value structured portfolios. It does not, however, provide both money management and consulting services to clients.

Clients include Avon Products, CBS Records, California Public Employees and the Pension Benefit Guaranty Corp.

Larry Davanzo, senior vice president, is client contact.

The World Markets Co. PLC

375 Park Ave., Suite 3207, New York, N.Y. 10152; (212) 593-4747

The World Markets Co. PLC, a subsidiary of Bankers Trust Co., provides foreign investment performance measurement and analysis.

The firm provides performance evaluation and investment accounting services to the investment management industry.

The firm has special expertise in attribution analysis for international investments of U.S. pension plans.

Significant developments in the past year include the introduction of analysis of bond investments.

Of the 54 clients on retainer, 10 are corporate, two are public and 42 are managers and consultants.

Fees are payable in hard and soft dollars.

Linda McPherson, vice president-marketing, and Angela Docherty, client manager, are client contacts.

Wurts, Johnson & Co.

1111 Third Ave., Suite 1200, Seattle, Wash. 98101; (206) 622-3700

Wurts, Johnson & Co. provides development of investment policies, objectives and asset allocation; U.S. and foreign manager evaluation and selection; and U.S. and foreign performance measurement and analysis.

The firm also offers asset allocation and liability studies.

Significant developments at the firm in the past year include the addition of Brian Cathcart, senior vice president, to the staff.

Of the 66 clients on retainer, 45 are corporate, two are public, 12 are union, seven are Taft-Hartley/endowment and insurance clients. The firm also provided services to eight non-retainer clients during the past year, of which six were corporate, one was public and one, union.

There are two professional consultants. Fees are payable in hard and soft dollars.

Clients include Nordstrom, Alaska Airlines, Washington Natural Gas and National Semiconductor.

Mr. Cathcart is client contact.

Wyatt Asset Services Inc.

80 William St., Wellesley Hills, Mass. 02181; (617) 237-3900

Wyatt Asset Services Inc., a subsidiary of The Wyatt Co., provides development of investment policies, objectives and asset allocation; U.S. and foreign manager evaluation and selection; and U.S. and foreign performance measurement and analysis.

The firm also offers asset/liability modeling to determine the impact of different investment policies on pension contributions; modeling and consultation on FASB 87 expense and funded levels; GIC and annuity placements; and master trustee evaluation and searches.

The firm has special expertise in asset/liability modeling, U.S. and foreign performance measurement and GIC and annuity placements.

Of the 54 long-term, non-retainer clients, 49 are corporate, two are public and three are union. The firm also provided services to 34 non-retainer clients during the past year, of which 30 were corporate, two were public and two were union.

There are 15 professional consultants. Fees are payable in hard dollars.

Asghar Alam, practice director, is client contact.

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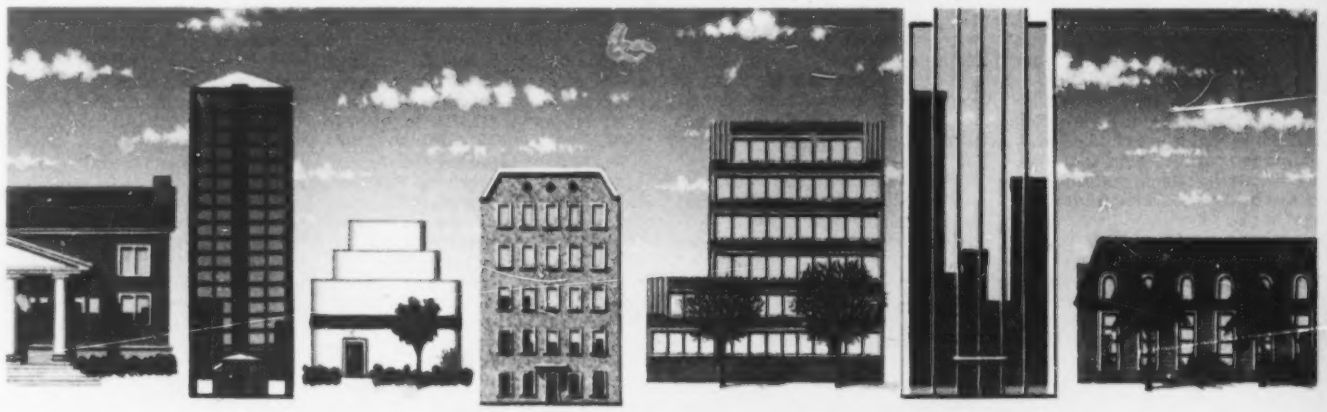

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International

Continued from page 17

performance evaluation work, others — notably Frank Russell — do not.

Two firms with sizable foreign practices declined to disclose figures. A spokeswoman from William M. Mercer Inc., New York, said its foreign actuarial and investment consulting clients are lumped in together, while Roger Bransford, national director-asset consulting for TPF&C, Atlanta, cited concerns about double-counting clients where work is performed out of multiple offices.

The double-counting issue is not unique to TPF&C: InterSec Research Corp., Stamford, Conn., frequently services clients out of more than one office. The firm has 102 retainer clients worldwide, although client data from its foreign offices would suggest a much higher total.

For some consultants, the push abroad started with the need to service U.S. pension clients who were easing into overseas markets a decade ago.

While setting up offices from scratch has led to business from foreign subsidiaries of U.S. multinational corporations that also are domestic clients, penetration of the foreign markets sometimes has proved tough.

The British have a strong financial tradition and have mounted "somewhat of a rear-guard action against American investment technology," said British-born Michael Phillips, Russell's director of consulting activities. Others cite resistance to U.S. fee levels.

The other chief way U.S. firms have achieved foreign market penetration has been through acquisition of foreign firms. William M. Mercer, for example, acquired Duncan C. Fraser & Co., a major London-based actuarial consultant, in 1986 and merged with two Australian firms in 1984 and 1985.

Consultants agreed the competition for foreign clients is heating up. In many countries, actuarial firms have longstanding relationships in which they also have given asset consulting advice. But, the ice is beginning to break in some areas as investors are seeking more sophisticated investment technology.

In Australia, the consulting market opened up after the October crash. "Suddenly, the crash occurred and people were concerned about risk," said Andrew Rudd, president and chief executive officer of BARRA, Berkeley, Calif. BARRA went from zero to 10 Australian clients virtually overnight, he said.

In the United Kingdom, the demand for BARRA's highly quantitative equity models took off following the Big Bang — the deregulation of the British securities markets in 1986 — as British firms scurried for new investment tools, he said.

Still, other markets are tough to pierce for firms making their first showing. The Wyatt Co., with 125 clients in Hong Kong, 70 in the Philippines, 20 in Malaysia, 100 New Zealand and 30 in Australia, probably has "a lock" on that part of the world, said Chris Nowakowski, president of InterSec Research.

Mr. Nowakowski said his firm provides advice to pension executives and financial institutions on the portion of the assets they invest outside of their native countries, with the exception of Japan, where it sells a performance measurement product to Japanese financial institutions.

One important factor boosting actuarial firms is the growing awareness of U.S. multinational corporations that they now must account for the pension liabilities of their foreign subsidiaries under FASB 87, said Asghar Alam, national director of asset services at Wyatt Asset Services Inc., Boston.

Added Sandy Lincoln, managing director of William M. Mercer Meidinger Hansen Inc., Deerfield, Ill.: "To the degree companies try to integrate human resources and financial functions, it works in our favor. To the degree they keep (those functions) separate, it works against us."

Some firms that seek to establish market niches are nonplussed. Russell's Mr. Phillips said efforts by other firms to encourage use of more sophisticated services actually helps his firm, which limits the size of its client list in each market it serves. "It makes our sale easier," he said.

Collins Associates is making its first major run at a foreign market by establishing a relationship with John A. Nolan Associates in Melbourne, Australia. Collins is trying to distinguish itself by being the pre-eminent consultant concerning small specialty managers.

Down the road, some are gazing toward Japan and continental Europe as the brightest lights on the horizon.

According to a recent study by the Organization of Economic Cooperation and Development, benefits levels in OECD countries will have to rise three to four times to meet inflation and demographic needs during the next 25 to 30 years, Mr. Nowakowski said.

The exception is Japan, where benefit levels will have to go up 13 to 14 times, he said. Added to that country's severe level of underfunding of its retirement plans, the indications are for explosive growth in pension assets.

Meanwhile, the Japanese government is moving to loosen investment restrictions on Japanese funds and toughen performance measurement standards. "Japan is far and away the most fascinating pension fund market in the world," Mr. Nowakowski said.

Others also see strong demand for consulting services in continental Europe. Changes in pension laws and investment practices is expected to boost activity in Portugal, Spain and the Netherlands.

In addition, the breakdown of financial barriers in the European Community in 1992 will cause European funds to "look favorably to investing in foreign markets" and to shift away from insurance companies and toward individual stock managers, said Wyatt's Mr. Alam.

Meanwhile, the trend in Canada threatens to go the other way, if proposed legislation shifts employer emphasis toward defined contribution plans, which heavily invest in guaranteed fixed-income products, said Michael McKay, vice president, GBB Buck Consultants Ltd., Toronto. ■

Funds bypass

Continued from page 17

we are seeing is a maturation of a job (the pension plan manager) that didn't even exist 10 years ago."

Leonard S. Chaikind, pension plan administrator at Shell Oil Co., Houston, said he agrees with Mr. Shultz' approach and said "that is exactly what we try to do."

Chaikind

Mr. Chaikind said when new money managers are hired at Shell they also agree to provide "over and above their investment management function" assistance to Shell in managing its overall pension fund.

Shell uses Frank Russell Co. as its consultant but uses its investment managers to provide specialized input either in the form of studies on some aspect of asset management or in meetings to exchange information on trading techniques or special investment processes.

He said money managers provide asset allocation information for Shell and do special studies for the fund. "Since we manage money internally we share information on buying and selling and (money managers) have given us information on how to trade more effectively," he said. "We ask them to be creative."

The disadvantage to using money managers in a consulting role, said Mr. Chaikind, is "you don't have total call on them. With Frank Russell we have total call and they must be very responsive to our needs. The point of using managers is that they can give us specialized information. The Frank Russell people are good but they don't know everything. For example, they have no expertise in GICs and we are big GIC investors," he said.

General Motors Corp. pension executives also use their investment managers to provide consulting assistance and input in directing GM's $30 billion in domestic pension assets.

"We do use our money managers for more than just running their special funds," said Charles Tschampion, director-investment manager relations at GM. "We have a process of internally coordinating and determining our asset allocation and use our managers as a source of financial and market information," he said. GM also uses Frank Russell Co. as its consultant.

Mr. Tschampion said GM views its investment managers "as a resource of investment expertise."

"We pay a fee and we expect to get their thinking and help and the benefit of their understanding. It is a team approach in terms of information gathering and providing input," he said.

Ed Ehrlich, director of the ITT Corp. pension trust, said ITT does not use outside consultants and has "always felt free to use our outside investment managers for input. It (using managers in a consulting role) doesn't sound like anything new or different. We don't use consultants. We've been successful in doing it ourself. We've grown without them and have been in the upper deciles in performance," said Mr. Ehrlich.

Ehrlich

The pension fund of Kerr-McGee Corp., Oklahoma City, used an outside consultant, SEI Funds Evaluation Service, but let it go when fund executives found they didn't need all the data provided by SEI, said H.H. MacPherson, manager investments and financial analysis.

"I'm trying to do more things myself; we're doing more in-house things that consultants couldn't do for us like classifying money managers according to style where the information can be useful. Most consultant classifications don't make any sense. We couldn't get what we wanted from them."

"We used SEI and paid for the service. We got a lot of data, good data on performance and portfolio diagnostics . . . but it was too much and we were paying for data we didn't need," he said.

Roger Bransford, national manager-asset consulting at TPF&C, Atlanta, said the use of investment managers in a consulting role by large pension funds has been an evolutionary process.

"It is due to natural evolution rather than being caused by a specific incident like the market crash. But Oct. 19 and FASB 87 have caused some people to rethink how they manage and view the whole situation." ■

Pensions & Investment Age will highlight public funds in the Nov. 28 issue.

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Hit list

Continued from page 18
modating than in the U.K.," said Michael Phillips, director of consulting for Russell. As citizens of a young country, Australians "don't have too many preordained ideas about how things should be done," he said.

When Mr. Nolan neared the end of his 11-year stint with the State Electricity Commission, he and Nolan Director Peter Guy approached Bruce Cook, managing director and chief executive of Mercer Campbell Cook & Knight, the Melbourne-based subsidiary of William M. Mercer.

"We recognized what Nolan was offering as unique," said Mr. Cook. "For a consulting actuarial firm it is almost impossible to recruit top finance people because it'd be difficult to fit them into a salary structure like ours."

Instead, Mercer took a 15% position in the new company and provided office space and support, including access to performance surveys and research.

"We don't see it as a conflict of interests," Mr. Cook said. "Nolan's service is so personalized it's only offered to the top 12 people in the finance industry. It's a Rolls Royce service."

Nolan offers such services as strategic asset allocation and risk-reward portfolio analysis, and customizes them for his clients.

Mr. Nolan also has established ties with Collins Associates. Under a five-year contract, Collins will help Nolan's clients evaluate and select investment managers in the United States and United Kingdom. Nolan provides a reciprocal service for Collins.

Budge Collins, principal of Collins Associates, visited Australia in August, his fourth trip since December, to see clients and prospects. Through Nolan, he has picked up three clients, including the SECV.

Mr. Nolan also serves as the Australian agent for InterSec's range of international investment consulting services, selling InterSec performance measurement services of non-domestic managers on an Australian dollar-denominated basis.

InterSec's first Australian client was the $3.35 billion Superannuation Fund Investment Trust, Canberra.

The firm's client list has doubled to about 27 in the past six months, and includes four of Australia's 10 largest pension funds, said Chris Nowakowski, InterSec's president.

"We researched the market thoroughly and Australian fund managers are upfront about what they want," Mr. Nowakowski said. "The single major shortcoming in the eyes of these clients and prospective clients, at this stage, is that the software does not explicitly capture the impact of currency hedging," he added.

"Australian managers do much more hedging, using futures and options, than any other pension managers worldwide." ■

Contributed by the Australian Super Review and Foreign Editor Joel Chernoff

Groups pulling

Continued from page 18
to join the association; for about $475, brokers wishing to become consultants can soon enroll in an IIMC home-study course being prepared in conjunction with academicians, Mr. Johnson said, and earn the title "accredited investment management consultant."

The Certified Investment Management Consultant designation from IIMC is granted, for an additional $200, to those who qualify under eight different levels of practical experience, stressing business with a variety of clients (at least 25) and money managers, with no more than 50% of the required $15 million in assets under consultation managed by the same firm.

"The essence of a consultant is that you are out there doing business with the people in the industry," Mr. Johnson said.

"The purpose is to identify the consultants who have seasoned capabilities — and for those who don't, they can learn most of the basic tools in our organization. They're going to have a mentor," Mr. Bott said.

The IMCA's approach differs in that it offers its "Certified Investment Management Analyst" designation only to those who complete a $3,000, one-week course at the Wharton School.

To enroll, one must have at least three years' experience in investment management or some equivalent combination of graduate course work and investment management.

"We rejected the idea that experience was enough," Mr. Bott said. "We wanted a class that was academically rigorous. You must be qualified before you go through the class," he said.

Perhaps not surprisingly, Mr. Bott is critical of the IMCA's approach.

"There is not easy access (in IMCA) for those who are not highly trained, highly seasoned, to come in," Mr. Bott said. "The elitist approach is not the way to go if the industry is going to grow. I want to see our profession legitimized to the point where it is restrictive, but it won't ever be successful if we shut out people who don't have experience."

Mr. Owen replies: "The other organization is more geared toward the fledgling (consulting) organization," he said. "Is that good or bad? I'm not going to comment. But how do you differentiate someone with 15 years' experience, as opposed to five months' experience?" ■

$1.5 trillion

Continued from page 17
between $600 million and $700 million.

Some do not have a large number of clients. Richards & Tierney — which specializes in benchmark portfolios — has just 24 clients, but those clients have $55 billion in assets. "The type of work that we do has great appeal to very interested and active plan sponsors," said Tom Richards, principal. "They tend to be the larger ones."

Mr. Lincoln attributes some of his firm's size to its acquisitions: "Clearly, we've bought some market share," he said. The firm came out of the merger of William M. Mercer-Meidinger Inc. and A.S. Hansen Inc. in 1987. Since then, it has continued adding to its consulting capacity, with the number of people rising to 120 from 78 in the past several months, he said. This factor also has helped it win and retain business.

Some consultants were unable to provide data on client assets. For instance, one of the larger consulting firms, Hewitt Associates, Lincolnshire, Ill., does not track this data, a spokeswoman said.

Figures are limited to assets of U.S. clients that use the consultant on a retainer or otherwise long-term basis. One firm, Frank Russell, serves another $100 billion of foreign assets. ■

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Stocks still

–*Continued from page 3*

sitions by the managers running those funds," she said.

Corporate pension funds have lowered their equity exposure to around 50% from a pre-crash high of 57%, according to Steve Einhorn, a partner in Goldman, Sachs & Co., New York.

"It's due to a combination of lower valuations and moderate liquidations," he said. "(It's) less a bearish attitude than selling those shares at a premium."

Liquidation of equities has been the big story since the crash, Mr. Einhorn said.

In the last quarter of 1987, he said, institutional investors were liquidating equities at a $29 billion annualized rate.

In the first quarter of this year, the annualized rate jumped to $37 billion, while in the second quarter, it was at $13 billion.

"Clearly, institutions are being net liquidators," he said. "The amount of liquidation is unusual. Going back to 1968, there has never been a full year of net liquidations."

The main reasons have been leveraged buy-outs, cash mergers and share buybacks, he said.

"Corporations believe the public market prices are below the private market values," Mr. Einhorn said, stressing it was a view with which Goldman doesn't necessarily agree.

The present-day popularity of tactical asset allocation is partly a result of the crash, accelerating structural changes that were under way among institutional investors, according to Eric Sorensen, director of quantitative analysis for Salomon Brothers Inc., New York.

The crash highlighted the tension developing between traditional fundamental analysis and the structural changes, such as the development of derivative strategies and the available liquidity from program trading, he said.

"The structural changes are in place and then you have the (market crash)," he said. "No matter what kind of portfolio diversification you had, you got hammered."

Scudder's Ms. Small also sees growth in the use of tactical asset allocation, which promises a "more conservative" participation in the equity markets.

"Caution is worldwide," she said. "Instead of creating reverberations through the real economy, the crash brought equity investors back to reality. It marked the end, but did not roll back, the 1980s' liquidity-driven bull market."

The end result, according to Sara Teslik, executive director of the Council of Institutional Investors, Washington, which represents 65 pension plans with about $300 billion in assets, is a greater realization on behalf of institutional investors that they can't perform independent of the market as a whole.

"They are much more tuned to look at market cycles, more passive investments," she said.

The shock of the market crash wasn't as powerful as might have been a few years ago, she said, before institutional investors realized their clout. "Now, we are so big we realize we are the market," she said.

For Wyatt's Mr. Scott, the crash should have no long-term impact. "Twenty years from now, when people are getting their pensions for the first time, the crash will have little effect," he said.

"Pension administrators look at the relationship between their assets and their long-term liabilities," Mr. Scott said. "The stock market crash will not change that view." ■

Staff Reporter Trudy Ring contributed to this story.

LTV, PBGC dispute goes back to court

WASHINGTON — The months-long dispute between the Pension Benefit Guaranty Corp. and The LTV Corp. over responsibility for three LTV pension plans is headed back to court.

Even though the PBGC and LTV claim they are willing to negotiate a settlement, the PBGC — as expected — appealed a federal judge's ruling that the agency could not force LTV to resume responsibilities for the plans, which have liabilities of about $2 billion.

In September 1987, the PBGC restored the three terminated plans to LTV.

LTV spokesman Charles Palmer said the company will seek an expedited appeal process to move the company's bankruptcy proceedings forward. ■

Merrill

Continued from page 4

board, volume growth was insignificant in every sector of the global debt and equity markets.

Total global market volume was up slightly to $368.1 billion, from $365.1 billion. First Boston/Credit Suisse, which held the No. 1 slot for the first three quarters of 1987, claimed the lead again this year. The firm was lead underwriter on $36.2 billion worth of securities, commanding 9.8% of the market. Merrill Lynch, which was in fourth place last year, moved up to second.

The U.S. debt and equity markets clearly have not recovered. Analysts attributed the sluggishness to investor and issuer wariness, helped along by rising interest rates and a lack of confidence in the future direction of interest rates. The equity markets are suffering the most.

Total taxable domestic underwriting volume for the three quarters of 1988 was $206.3 billion, down 10% from $229.2 billion for the same period last year. Equity volume also tumbled to $31.1 billion, from $55.4 billion.

Debt volume in the U.S. public markets during the three quarters picked up some, topping $175 billion, up from $173.8 billion last year.

Goldman, Sachs was No. 1 in debt offerings for the three quarters, underwriting almost $27 billion in securities and taking 15% of the market, up from $17.7 billion for the same period last year. Goldman jumped ahead of the pack; it was ranked No. 5 in the cumulative third-quarter 1987 rankings. Salomon Brothers, which was first last year, slipped to second this year, underwriting $25 billion of debt offerings, down significantly from $30.8 billion during the same period last year.

In the non-investment-grade debt market, Drexel Burnham Lambert Inc., the undisputed market leader, apparently hasn't been hurt by all the publicity surrounding the continuing insider trading scandal. Drexel was first for the first three quarters of 1988, underwriting $9.6 billion, with 50.2% of the market.

During the same period last year, Drexel also was the top-ranked underwriter, having underwritten $10.1 billion of the high-yield securities.

First Boston retained its second-place ranking all year, underwriting $2.4 billion, and claimed 12.6% of the market.

Goldman, Sachs finished first in mortgage-related securities, retaining the lead it has had all year, followed by Salomon Brothers, the traditional leader in the area. Goldman underwrote $12.9 billion of mortgage-related debt, or 17% of the market. Salomon underwrote $9.1 billion, or 12.7%, down significantly from $15.1 billion a year ago.

On the equity side, Merrill was first in initial public offerings, underwriting $3.8 billion of IPOs, up from $2.4 billion last year. The firm had a 20.2% slice of the market this year, nearly double the 11% it had captured during the same period last year.

1988 underwriting rankings

(Cumulative 9 months — full credit to lead manager)

All issues - global*

Firm	Volume $ mils.	Market share (%)
1. First Boston/CSFB** (1)	36,217.4	9.8
2. Merrill Lynch (4)	34,355.5	9.3
3. Goldman, Sachs (5)	31,475.8	8.6
4. Salomon (2)	29,908.2	8.1
5. Morgan Stanley (3)	20,368.5	5.5
6. Shearson Lehman (6)	20,347.9	5.5
7. Drexel Burnham (7)	16,792.4	4.6
8. Nomura (8)	15,385	4.2
9. Daiwa (10)	10,167.9	2.8
10. Deutsche Bank (13)	9,917.1	2.7

* All taxable issues, debt and equity, worldwide
** First Boston/Credit Suisse First Boston
Source: IDD Information Services, New York
Numbers in parentheses show the firm's 3rd qtr. 1987 ranking

All issues - domestic*

Firm	Volume $ mils.	Market share (%)
1. Merrill Lynch (3)	29,142.3	14.1
2. Goldman, Sachs (5)	28,554.7	13.8
3. Salomon (1)	26,238.7	12.7
4. First Boston (2)	23,921.9	11.6
5. Shearson Lehman (6)	19,187.2	9.3
6. Morgan Stanley (4)	17,532.6	8.5
7. Drexel Burnham (7)	16,762.4	8.1
8. Prudential-Bache (10)	8,093.6	3.9
9. Bear, Stearns (9)	7,070	3.4
10. PaineWebber (14)	5,297.2	2.6

* All taxable issues, debt and equity, sold in U.S. only
Source: IDD Information Services, New York
Numbers in parentheses show the firm's 3rd qtr. 1987 ranking

All issues - domestic*

Firm	Volume $ mils.	Market share (%)
1. Merrill Lynch (2)	21,991.6	16.4
2. Salomon (4)	17,109.4	12.8
3. First Boston (3)	15,915.5	11.9
4. Goldman, Sachs (5)	15,677.8	11.7
5. Drexel Burnham (6)	13,018.4	9.7
6. Shearson Lehman (7)	12,913.2	9.6
7. Morgan Stanley (1)	11,414.4	8.5
8. Prudential-Bache (12)	3,836.8	2.9
9. Smith Barney (9)	3,056	2.3
10. PaineWebber (15)	3,011	2.3

* All taxable issues, debt and equity, excluding mortgage-related and agency issues sold in U.S. only
Source: IDD Information Services, New York
Numbers in parentheses show the firm's 3rd qtr. 1987 ranking

All debt issues

Firm	Volume $ mils.	Market share (%)
1. Goldman, Sachs (5)	26,987.1	15.4
2. Salomon (1)	25,006.3	14.3
3. Merrill Lynch (3)	23,413.4	13.4
4. First Boston (2)	22,415.7	12.8
5. Morgan Stanley (4)	16,306.7	9.3
6. Drexel Burnham (7)	14,466.9	8.3
7. Shearson Lehman (6)	14,431.8	8.2
8. Bear, Stearns (9)	6,913.1	3.9
9. Prudential-Bache (10)	5,778.7	3.3
10. Kidder, Peabody (8)	3,964	2.3

Source: IDD Information Services, New York
Numbers in parentheses show the firm's 3rd qtr. 1987 ranking

Non-investment grade debt

Firm	Volume $ mils.	Market share (%)
1. Drexel Burnham (1)	9,626.1	50.2
2. First Boston (2)	2,408.1	12.6
3. Salomon (5)	1,425.9	7.4
4. Morgan Stanley (3)	1,392.3	7.3
5. Prudential-Bache (15)	1,181.7	6.2
6. DLJ (6)	776.3	4
7. Merrill Lynch (4)	685	3.6
8. Smith Barney (11)	498.1	2.6
9. Goldman, Sachs (7)	385.2	2
10. PaineWebber (13)	359.7	1.9

Source: IDD Information Services, New York
Numbers in parentheses show the firm's 3rd qtr. 1987 ranking

Mortgage-related debt

Firm	Volume $ mils.	Market share (%)
1. Goldman, Sachs (4)	12,876.8	17.9
2. Salomon (1)	9,129.3	12.7
3. First Boston (2)	7,924.2	11
4. Merrill Lynch (3)	7,090.8	9.9
5. Shearson Lehman (6)	6,256.7	8.7
6. Morgan Stanley (5)	6,118.2	8.5
7. Bear, Stearns (9)	5,718.7	8
8. Prudential-Bache (10)	4,246.8	5.9
9. Drexel Burnham (8)	3,743.9	5.2
10. Kidder, Peabody (7)	2,527.1	3.5

Source: IDD Information Services, New York
Numbers in parentheses show the firm's 3rd qtr. 1987 ranking

Initial public offerings

Firm	Volume $ mils.	Market share (%)
1. Merrill Lynch (2)	3,834.3	20.2
2. Shearson Lehman (3)	3,628.3	19.1
3. PaineWebber (9)	2,394.6	12.6
4. Prudential-Bache (8)	2,184.1	11.5
5. Wheat, First Securities (5)	2,150	11.3
6. Alex. Brown & Sons (4)	1,003.7	5.3
7. First Boston (11)	562.8	3
8. Goldman, Sachs (1)	551.6	2.9
9. Drexel Burnham (7)	532.9	2.8
10. Salomon (6)	392.3	2.1

Source: IDD Information Services, New York
Numbers in parentheses show the firm's 3rd qtr. 1987 ranking

Common stock

Firm	Volume $ mils.	Market share (%)
1. Merrill Lynch (1)	4,266.3	18
2. Shearson Lehman (3)	4,210.7	17.7
3. PaineWebber (13)	2,461.9	10.4
4. Prudential-Bache (12)	2,314.9	9.7
5. Wheat, First Securities (8)	2,150	9
6. Drexel Burnham (4)	1,631.7	6.9
7. Alex. Brown & Sons (5)	1,118.4	4.7
8. Goldman, Sachs (2)	827.6	3.5
9. Salomon (9)	718.9	3
10. First Boston (7)	578.2	2.4

Source: IDD Information Services, New York
Numbers in parentheses show the firm's 3rd qtr. 1987 ranking

Preferred stock

Firm	Volume $ mils.	Market share (%)
1. Merrill Lynch (3)	1,200	22.9
2. First Boston (2)	778	14.8
3. Goldman, Sachs (4)	740	14.1
4. Shearson Lehman (7)	544.7	10.4
5. Kidder, Peabody (6)	534	10.2
6. Salomon (5)	513.5	9.8
7. Morgan Stanley (1)	275	5.2
8. Drexel Burnham (8)	203.9	3.9
9. Smith Barney (NA)	135	2.6
10. DLJ (12)	109.1	2.1

Source: IDD Information Services, New York
Numbers in parentheses show the firm's 3rd qtr. 1987 ranking

Both second-ranked Shearson Lehman and third-ranked PaineWebber seized significantly bigger shares of the IPO market in the first three quarters of this year. Shearson, which underwrote $3.6 billion, commanded 19.1% of the market; up from $2 billion and 9.4% last year. PaineWebber underwrote $2.4 billion so far this year, or 12.6%, up from $812 million, and 3.7% last year.

The volume of common stock offerings also plunged to $23.8 billion from $35.9 billion during the same period last year. Preferred stock offerings dropped by nearly 50% to $5.2 billion from $10.1 billion last year. ■